

KANSAS AGENTS CONVENTION NUMBER

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, OCTOBER 18, 1934

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The National Underwriter

Thirty-Eighth Year—No. 42

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, OCTOBER 18, 1934

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Californians Fight Sinclairism Idea

Life General Agents, Managers Hold Non-Partisan Meetings to Oppose Trend

J. B. LEVISON SPEAKER

Rallies in San Francisco and San Jose Arouse Insurance Men to Threat in Coming Election

SAN FRANCISCO, Oct. 17.—Thoroughly aroused at the economic threat which confronts insurance in the coming gubernatorial election in California, insurance people of the state, while not aligning themselves with any candidate and keeping the matter strictly on a non-partisan basis, are exerting themselves to protect the policyholders from what is coming to be generally known as "Sinclairism." At a meeting of life insurance general agents and managers in San Francisco last week, J. B. Levison, president of the Fireman's Fund, told of these economic dangers and the following day W. R. Spinney, president of the San Francisco Life Underwriters Association and D. E. Mooney, chairman of the legislative committee of the association, appeared before a group of life insurance men in San Jose.

On Monday of this week the San Francisco association was addressed by Lewis F. Byington, president of the Public Utilities Commission of San Francisco on "Americanism," followed on Tuesday by a meeting of general agents and managers with Insurance Commissioner Mitchell at which the threat to life insurance was discussed at further length.

Big Insurance Rally

With J. B. Levison as the principal speaker, more than 1,000 people from all branches of insurance in San Francisco will gather in the Stock Exchange Auditorium to learn more about the present situation. In the notice of the meeting sent out by the San Francisco Life Underwriters Association, it said: "Legal reserve life insurance is faced with the threat of influences which have publicly declared for the destruction of private industry and of business profit. The following quotation is taken from 'Epic Answers,' page 15: 'Salesmen, clerks in retail stores will of course be needed under EPIC but those salesmen who travel around persuading merchants to buy one brand instead of another brand equally good, and those house-to-house canvassers who are ringing doorbells, represent pure social waste. The task of the latter is humiliating; one of the last refuges of victims of our present system * * * Insurance men. The same thing applies to the insurance business. Under a state system, insurance becomes a superfluity, because the state has ample capital to cover its own

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L. W. Garlich Is New Head of Missouri Association

RECODIFICATION IS OPPOSED

Committee Authorized to Protect Agents' Interests in Impounded Commissions in Rate Case

JEFFERSON CITY, MO., Oct. 17. Lorren W. Garlich of St. Joseph was elected president of the Missouri Association of Insurance Agents at the annual meeting here. He succeeds A. L. McCormack of St. Louis, who declined a third term as head of the association. Other officers elected are: First vice-president, W. A. Shelton, Unionville; second vice-president, M. L. Clevlen, Poplar Bluff; third vice-president, H. J. Wassweiler, Springfield; secretary-treasurer, J. F. Barclay, Mexico; and chairman legislation committee, J. J. McGee, Kansas City.

The attendance was surprisingly large. At the luncheon almost 100 agents from all parts of the state were on hand to listen to an address by Superintendent R. E. O'Malley, who stressed the need for co-operation between the agents and the department to improve insurance conditions and told of the accomplishment of his department since he became superintendent.

Protect Interests in Rate Case

The meeting voted for a resolution authorizing the president to appoint a special committee of seven to consider the interest of the agents in the state in the commission on the impounded premiums in connection with the 16 2/3 percent fire insurance rate increase litigation. This committee was given full power to act and authorized to employ counsel if deemed necessary.

A qualification law for Missouri agents was discussed. It was learned that P. B. McHaney, attorney for the Missouri department, has already drafted such a bill for presentation to the next legislature. He plans to submit this measure to Superintendent O'Malley at an early date.

It was the sense of the gathering that no general recodification of the Missouri insurance laws should be attempted at the next session. Instead of attempting to put through a new insurance code of some 500 pages at one time, it was generally agreed that the better plan would be to amend and revise the present code by rewriting or eliminating various sections.

As has been reported, the Missouri association is now on a sound financial footing once more, thanks to the rigid economy exercised during the administration of the retiring President McCormack. This improvement in the status of the state body and a general betterment in business conditions in the state was reflected in the spirit of optimism on the part of most of those in attendance at the gathering.

The committee of seven that will consider ways and means of obtaining for the agents of the state the commission on the premiums impounded in the new 16 2/3 percent rate increase litigation is to be composed of Carl Lawton and C. H. Morrill, St. Louis; Morton Jones, and Joseph McGee, Kansas City;

Dominion Board Extends Its Scope, Will Include Casualty

SEPARATION ISSUE COMES UP

Colin Sword, New President, Expresses Desire to Proceed Cautiously in That Connection

TORONTO, Oct. 17.—At its annual meeting the Dominion Board of Fire Underwriters changed its name to "Dominion Board of Insurance Underwriters," marking an expansion in its scope from the fire field to all insurance lines excepting only life and ocean marine.

These officers were elected: President, Colin E. Sword, Toronto, Canadian manager Union of Canton and British Traders; first vice-president, John Jenkins, Montreal, Canadian manager Employers' Liability; second vice-president, J. H. Riddell, Toronto, Canadian manager Eagle, Star & British Dominions group. A. H. S. Stead continues as manager of the board, with headquarters in Montreal.

The following were elected to the council for a three-year term: John Holroyde, Montreal, Canadian manager Commercial Union; W. E. D. Baldwin, Montreal, Canadian manager America Fore group; C. E. Sanders, Montreal, Canadian manager Atlas; C. S. Malcolm, Montreal, Canadian manager Royal Exchange. T. H. Hall, Toronto, Canadian manager General Accident, was elected to the council for a one-year term.

Continuing members of the council are: W. R. Houghton, London & Lancashire; R. L. Stailing, Sun; H. C. Mills, North America; J. P. A. Gagnon, Union Paris; W. E. Findlay, Springfield Fire & Marine; E. J. Kay, North British & Mercantile and B. W. Ballard, Hartford Fire.

Go Slow on Separation

One of the principal items of business was revision of the constitution to cover the wider field. This is a far-reaching step, as most of the fire and casualty companies in Canada are multiple line.

Mr. Sword, the new president, describes the board as "an advisory and supervisory" body, made up of chief executives of companies in the Canadian field. It is strictly a tariff organization, membership in board or underwriting organizations being a requisite for membership. On the question of separation, however, Mr. Sword intimated a desire to go slowly, and to stress the voluntary features of the organization. This question is a live one in the Canadian field, and the Dominion Board will have an important place in dealing with it. Separation, he said, means, in the case of a company, that it must decide to operate either tariff or non-tariff throughout its lines and territory. From the agent's viewpoint, it means that he must elect to represent either the one or the other class of company.

George Clayton, Hannibal; Morrison Clevlen, Poplar Bluff, and F. H. Phillips, Springfield. President Garlich will serve on the committee ex-officio.

Oct. 31 Deadline Taken Seriously

Company People Appear Now to Believe W. U. A. Means Business

EXPECT ACTION SOON

Chicago Agents of Royal-Liverpool Companies Get Ultimatum, Which Breaks the Ice

Present indications are that company executives and field men charged with responsibility in Chicago have ringed Oct. 31 on their calendar with a very bold circle. That is the date on which members of the Western Underwriters Association must report to headquarters the status of their class 1 or metropolitan supervising agencies in Chicago. That date is being generally regarded by organization company men as being a real dead-line so far as separation is concerned in Chicago.

There have been so many dead-lines in connection with the separation program in excepted cities, in the east and west, that for a time the Oct. 31 date was treated rather cavalierly. But in the last week or so the impression has been gaining that the W. U. A. means business this time. Some of the field men and company supervisors these days have dropped practically everything else, so as to conduct the difficult diplomatic task of persuading their mixed class 1 agents, of varying degrees of belligerency, to make a decision and take the "right" action now.

Some Agents Belligerent

Some of the mixed agencies do not present much of a problem. It is understood that they will resign their non-affiliated connections when, as and if the time comes. There are probably half a dozen big, desirable agents who are most belligerent. They fly off the handle when the subject of separation is mentioned and refuse to make a move. Of course, the Union companies, when the dead-line arrives, could force a decision, by resigning from such agencies. But, despite the new seriousness with which separation seems to be treated in Chicago, there seem to be few companies which are prepared to make a sacrifice.

Two Important Agencies

Among the agencies, whose decisions are being anxiously awaited, are Hugo Dalmar & Co. and Brummel Brothers, both of which control an exceptionally fine lot of business and whose methods of operation are eminently to the liking of the companies.

So far as can be determined, only two agencies in the city have made a move in relation to separation. Eliel & Loeb resigned all of their association companies pronto when the Western Underwriters Association first decided to put

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Clear Agencies Plan Vital Principle, Thomas Declares

ADDRESSES UNDERWRITERS

W. U. A. Manager in Fine Talk at Quarterly Meeting of Illinois Fire Organization

A fine talk by Manager C. F. Thomas of the Western Underwriters Association on the reasons for clear agencies, steps to cooperate actively with the insurance department in conducting written examination of applicants for new agency licenses, and considerable discussion of classification of agencies for the quarterly meeting of the Illinois Fire Underwriters Association held in the Chicago Board's auditorium. A questionnaire has been prepared and sent out in the hope it will assist in classifying agents clearly. President G. C. Bissell, state agent Aetna Fire, Chicago, outlined plans of the executive committee to request the W. U. A. companies to pay only 15 percent commission to agencies which have been mixed for a long period and, it appears, will continue so.

Reach Agreement with HOLC

He also reported that difficulties encountered with the HOLC over use of the three-quarters value clause on dwellings in some 16 southern Illinois towns appear to have been ironed out. A committee conferred, agreement being reached for the HOLC to send a man to the territory to dig up cases in dispute. Only three instances were found of policies containing the clause and on these, Mr. Bissell reported, the amount of insurance was much greater than the HOLC loans, the problem therefore being more theoretical than actual. Appraisals for HOLC loans are so low it is believed there will be no conflict resulting from use of the clause.

On motion a committee consisting of B. F. Peters, chairman, E. B. Heffran and G. A. Feindt was appointed to work with the department on examinations. It was stated the examinations now being conducted at several points are not tricky, but some agents are failing to answer correctly the question on co-insurance clause. The department is of the opinion prospective agents can be instructed in a short time to pass the examination. It must be answered in one and one-half hours.

Casualty Company's Activities

There has been some difficulty over activities of the Utilities of St. Louis, which it was stated is using an agency agreement which results in licensing the agent as well for the St. Louis F. & M., an affiliated company, and sending him the fire insurance supplies. Agents of W. U. A. member companies are not permitted to represent this fire company under the separation arrangement. The Utilities, it is said, has entered a number of agencies in Illinois on this basis.

President Bissell reported a letter was sent out to members acting as chairmen on balance problems and to trustees for agencies, asking that they report to other field men in the agencies where they are acting concerning status of the agencies.

Another subject was called up by a letter from an absent member stressing that some balance committees have been talking to agents about putting them on a 60-day basis, whereas the balance rule is 45 days, and efforts should be made to bring them in line in this respect.

Report on Brokers Licenses

Miss E. E. Edwards, secretary, reported resignation of J. B. Fuller, special agent American of Newark; S. B. Ridgeway of the same company and J. C. Klostner, North British & Mercantile. A memorial to the late C. T. Wright of the Great American, who died Aug. 11, was read. The report of the com-

Agent on Test Replies Binder Is Farm Machine

One of the bright spots that has come out of the series of written examinations for new applicants for agents' licenses being conducted in Illinois by the insurance department is the following reply to the question: "What is a binder and how is it used?" The answer by a small town agent was: "I believe it is a piece of farm machinery, but I don't write farm insurance anyway."

mittee on brokers' licenses was that it was felt promiscuous issuing of such licenses by the insurance department worked against the separation movement. The matter is in the hands of the W. U. A. managerial committee.

Mr. Thomas says clear agencies is a principle vital to agents as well as companies. It is a doctrine which should be carried along vigorously. Field men, he said, daily should tell agents of the things which organization companies do for them; that without these many services furnished by organizations all the way up to the National Board, an entire change in methods of doing business would be necessary. The first line of defense is the agency, he said, and if non-organization companies get in there the best business will go.

Campaign in Middle West

There never was a time when the drive to enter agencies by mutuals and non-organization stock companies was as great as now. They are swarming over the middle west, and in states requiring rate filings are filing 20 percent lower on protected and 10 percent on unprotected risks. The principal attack is being made in the smaller cities and protected towns known as ordinary territory. They are intelligently selecting these risks and except very rarely are not accepting unprotected risks. He said the difference in premiums between organization stock, fire, casualty and mutuals is very largely represented by the services supplied by the stock companies.

H. S. Temple of Ann Arbor and H. G. Hicks and M. J. Kemp of Hillsdale have formed the **Temple Sales Corporation** at Ann Arbor, Mich.

Wisconsin Local Agents in Annual Convention

W. B. CALHOUN IN THE CHAIR

Fred J. Lewis of Milwaukee, National Councillor, Spoke on Behalf of Parent Organization

By R. W. LANDSTROM

WAUSAU, WIS., Oct. 17.—The annual meeting of the Wisconsin Association of Insurance Agents is being held here this week, the first session having been called this afternoon with W. B. Calhoun of Milwaukee, president of the organization, in the chair and J. G. Grundle of Milwaukee in the secretary's post. C. F. Liscomb of Duluth, member of the National association executive committee could not be present. Other set speeches today were by F. E. O'Brien of New York City, assistant secretary Fidelity & Casualty, and C. P. Helliwell of Milwaukee, general agent New Brunswick and president Wisconsin Fire Underwriters Association. The welcome was given by President C. L. Manson of the Wausau Underwriters' Board and the response by Hugh Bird of Beaver Dam, chairman of the state executive committee. President Calhoun gave his annual report at the first session. The get-together dinner was held this evening with Mr. Calhoun acting as toastmaster.

Tomorrow morning there will be a conference for those interested in local boards at which the problems of these organizations will be discussed. Presiding over the conference will be Monroe Porth of Milwaukee. John D. Rogers of Milwaukee, service manager of the Continental Casualty, will give a talk on "The Place of Life Insurance and Accident and Health Insurance in the Local Agency."

Mr. Liscomb who was scheduled to represent the National association was detained in New York. His place on the program outlining the activities of the National Association was ably taken by F. J. Lewis of Milwaukee, national councillor. Several recalcitrants who in past years have frowned upon Wisconsin association activities are here lending their support. Mrs. L. M. Chartier

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Interesting Information Is Given in the Illinois Book

NUMBER OF AGENTS DECREASE

Mixed Offices So Far as Fire Companies Are Concerned Are Now Fewer

The Illinois Underwriters Handbook, published by THE NATIONAL UNDERWRITER, which makes its appearance this week, brings out some interesting information insurance-wise in the state. In 1933 there were 1,206 companies, associations and organizations of all kinds operating in the state. This year there are 1,140. The number of licensed agents has dropped from 74,383 to 67,300. There were 251 stock fire companies compared with 254 last year, 86 mutual fire compared with 84; 31 reciprocals compared with 36; 103 stock casualty companies compared with 111; 52 mutual casualty compared with 59. The life companies dropped from 131 to 120. The mutual benefit associations dropped from 125 to 97.

Number of Agents Is Off

The number of agents licensed to represent fire companies showed a decline from 31,976 to 29,894 and life agents from 25,210 to 20,300. The casualty agents licensed 13,050, which is 90 more than last year.

According to the compilation in the new Illinois book, progress has been made in the separation movement. There are very few mixed agencies now remaining, according to the statistics.

The Illinois Hand-Book shows a complete set-up of insurance in the state and is a valuable reference book in every way. It gives a list of agents arranged by towns, showing companies represented, members of the firm, date of establishment of agencies, etc.

A feature of importance is that it gives the license number of brokers. Under the Illinois law no one can broker business unless he is licensed.

The Illinois Hand-Book shows that in 1933 the stock fire companies collected \$41,747,035, compared with \$42,992,568 in 1932, and \$72,387,775 in 1929. Losses were \$20,769,350 last year as compared with \$24,301,715 in 1932, and \$33,338,109 in 1929. The mutual fire companies' premiums last year were \$3,494,188 and losses \$987,042. The casualty premiums were \$54,685,095 compared with \$55,699,056 in 1932 and the losses in the two years respectively were \$27,102,633 and \$33,665,246.

The peak year for life insurance was 1929 when \$1,895,676,494 was written. Last year the total was \$1,209,542,274. The life insurance in force is \$7,805,611,771.

Record Graduating Class in Insurance Institute

NEW YORK, Oct. 17.—The insurance Institute of America will hold its annual conference at the Hotel Pennsylvania here Oct. 23. Two hundred fifty-eight students finished the institute course this year, a larger number than had ever before graduated in any one year. Divided as to branches, 50 completed the casualty course, 117 the fire, 84 life, five surety and one marine. Residents of Illinois who will receive certificates, all in the fire branch, are: R. L. Adair, L. H. Hanson, F. O. Iverson, H. C. Rieck, M. R. Schrayner, J. A. Victorine and R. J. Wiersma, all of Chicago; also G. R. Harvey, G. R. Holt, L. V. Marston, W. H. Ogren, W. A. Putz, and H. A. Trenholm, all of Rockford.

The Iowa department has licensed the **Equitable Fire** of South Carolina and the **French Union & Universal**, both for fire reinsurance.

THE WEEK IN INSURANCE

Oct. 31 is now regarded as a **separation deadline**, which means something, that being the date upon which companies must report the status of their class 1 agency plants in Chicago. **Page 1**

More protests filed against insurance action of **Commodity Credit Corporation**. **Page 1**

L. W. Garlicks of St. Joseph elected president of Missouri Association of Insurance Agents. **Page 1**

Dominion Board, Canadian supervisory organization, extends jurisdiction to casualty field; separation under consideration. **Page 1**

Subject of **life insurance company ratings** came to a head in Chicago at the time of the meeting of the American Life Convention. **Page 3**

The **Illinois Underwriters Hand-Book**, the well known insurance reference book for 1934, is published by The National Underwriter. **Page 2**

Clear agencies principle vital to agents as well as companies, Manager Thomas of W. U. A. tells Illinois Fire Underwriters Association. **Page 2**

Wisconsin Association of Insurance Agents is holding its annual meeting this week. **Page 2**

Jay W. Rose, secretary New York State Association of Local Agents, has been appointed manager of the **New York State Association Service**. **Page 24**

J. V. Kelly, Leavenworth, elected president of Kansas Association of Insurance Agents. **Page 28**

Meeting of the **International Association of Casualty & Surety Underwriters** and the **National Association of Casualty & Surety Agents** was held on the Bermuda cruise. **Page 33**

General Accident observes 35th anniversary of entrance into United States at White Sulphur Springs. **Page 35**

Legislative developments outlined by F. Robertson Jones, secretary International Association of Casualty & Surety Underwriters, at annual meeting. **Page 34**

H. B. White, United States Fidelity & Guaranty, reelected president of **Iowa Insurance Federation**. **Page 36**

Many insurance men participated in meeting of **National Safety Council** in Cleveland. **Page 35**

Illinois attorney general holds that **installment payment** of annual casualty premium may not be accepted by the company. **Page 35**

Preferential claim treatment of citizens of New York State dangerous plan, Counsel Ignatius for department's liquidator, declares in talk during joint casualty convention cruise. **Page 33**

R. F. C. agrees to make available \$10,400,000 to the **Metropolitan Casualty** of the Firemen's of Newark group. **Page 33**

In attempt to revive interest in so-called **compensation surcharge plan**, conversations are held in New York between committees of agents and insurance commissioners. **Page 33**

Interest Taken in Rating Issue

Life Officials Protest Against the
A. M. Best Co. Alphabetical
Designation

DANGER IS POINTED OUT

Declare That Confusion Is Created in
the Public Mind as to Compa-
nies' Merits

The subject of life insurance company ratings came to a head at the annual meeting of the American Life Convention in Chicago, when the special committee appointed by the organization supplemented later by the members of the executive committee, officials and all past presidents, conferred on the subject after the special committee had entered into lengthy discussions with Alfred M. Best and his associates, engaged in the publishing of "Best's Insurance Reports." In palmy days of life insurance, almost all companies enjoyed an "A" rating. Then came the economic collapse causing some companies to slide down the scale, being in the "B" or "C" class or with ratings omitted or not having been engaged in the business sufficiently long to be entitled to a rating. The companies therefore outside of the "A" class have objected very strongly to the practice and eventually many of the "A" companies claimed that the rating designation was harmful and was being used destructively.

Will Investigate the Subject

The upshot of the conference was that both sides agreed to investigate the subject more fully. Mr. Best took the position that perhaps no one could tell at this moment just how this information should be set forth. Undoubtedly the insurance buyers appreciate a rating. They have been accustomed to dealing with "A" companies as a whole and therefore they do not understand the distinction between the gradation. If the buyers feel that a person or organization speaks with some degree of authority they are willing to take his verdict.

Worked Out a Rating Formula

The A. M. Best Company worked out a formula that it felt was logical and equitable. So far as the formula itself is concerned, it is agreed that the Best Company has applied it impartially. The question has naturally arisen as to whether a governmentally regulated business like insurance or banking should be rated by an independent concern or by anyone that has no connection with the government. Suppose, for instance, some organization started to rate banks. Those below the "A" class, it is argued, would immediately feel the repercussion in no uncertain terms. There are no institutions so close to the people as banking and insurance. Therefore, any reflection on an institution of either class has a very direct effect. Insurance men contend that it is not possible to devise a rating system that will present a true picture of a company in every respect. While a formula may work in some cases, in others it is claimed it will not, because of the intangibles that cannot be rated.

If there is to be any rating then the insurance officials declare that the National Convention of Insurance Commissioners should do the rating. So long as there is supervision by the states, then it is held that the public can see-

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Indiana Agents Meeting



GLENN B. WOODWARD, Bloomington
President



ATWOOD L. JENKINS, Richmond
National Councillor

The Indiana Association of Insurance Agents is meeting this week at Bloomington. Glenn B. Woodward of that city is president. A. L. Jenkins of Richmond is national councillor and will give a report of national activities.

Pearl Cancels Policies, Wisconsin Row Settled

MADISON, WIS., Oct. 17.—The hearing to be held on the Pearl Oct. 23 has been rescinded, the cause for action being that the forms used by them were other than uniform.

The Pearl wired the Wisconsin insurance department direct to cancel the policies on the Rhea Manufacturing Company and the K. W. Jacobs Co-Operative Company, both of Milwaukee.

The department alleged that other than uniform use and occupancy forms were used by the Pearl in covering these risks and the Pearl was requested to substitute approved forms or to file deviations that could be legally sanctioned. Subsequently the department cited the Pearl to appear Oct. 23 to show cause why its license should not be revoked. Now apparently the issue has been settled.

A. B. Banks Now in Clear

A. B. Banks, the erstwhile Arkansas promoter and financier, who controlled three insurance companies, now defunct, is at last free of the fear of prosecution. Nine indictments pending against him were nolle prossed by the circuit court in Little Rock on the recommendation of the prosecuting attorney. In 1931 he had been sentenced to one year in prison after conviction on the charge of accepting deposits after insolvency of the American Exchange Trust Company of Little Rock. He was pardoned by Governor Parnell. His insurance companies were the Home Life, Home Fire and Home Accident, all of Arkansas.

HOLC Man for Qualification Law

SPOKANE, WASH., Oct. 17.—Norman De Pender, attorney for the HOLC in Spokane, in an address before the Spokane Insurance Association endorsed the agents' qualification act as it is necessary in order properly to protect the assured. The corporation has experienced considerable trouble with irresponsible agents.

Feely Pearl Assurance Special

Phil J. Feely has been appointed San Francisco special agent for the Pearl Assurance. He was formerly city manager for the George O. Hoadley office for several years. Frank C. Schmitt,

Insurance Companies Take Part in Direct Mail Meet

Twelve major insurance companies were represented at the informal luncheon held in conjunction with the Direct Mail Advertising Association sessions in Boston. C. S. Crummett, chairman insurance section of the users attendance committee, was responsible for the gathering. Companies and their representatives taking part were:

Acacia Mutual Life, Washington, T. M. Rodlum, advertising manager.

American Mutual Liability, Boston, C. S. Crummett, advertising manager; J. Q. Adams, assistant to advertising manager; Fanny B. Durfee, copy writer; G. H. Carruth, production department.

Auto Owners, Lansing, Mich., C. H. Barber, advertising manager.

Boston Insurance, Boston, Ray C. Dreher, advertising manager.

Central Manufacturers Mutual, Van Wert, O., P. W. Purmort, advertising manager.

Columbian National Life, Boston, L. L. Howard, advertising manager.

Connecticut Mutual Life, Hartford, R. C. Berger.

Employers' group, Boston, A. D. Grose, superintendent publicity department.

Federal Hardware & Implement Mutuals, Minneapolis, Don Rahlle, advertising manager.

Hardware Dealers Mutual Fire, Stevens Point, Wis., C. L. Daniels, sales manager, and W. L. Siebecker, advertising manager.

Hardware Mutual Casualty, Stevens Point, Paul Parkinson, advertising manager.

John Hancock Mutual Life, Boston, H. H. Putnam, manager publicity department, J. A. Pierce and Margaret Dwyer.

Seven insurance companies were among companies selected for the Fifty Direct Mail Leaders in the United States and Canada: Acacia Mutual Life, Aetna Life, Boston and Old Colony, Federal Hardware & Implement Mutuals, Hardware Dealers Mutual Fire, Massachusetts Mutual Life, and Reliance Life.

former assistant to John Houggaard, has joined the Pearl as underwriter.

A. F. Pillet, president of the Republic of Dallas, has been elected a director of the Dallas Bank & Trust Company.

File New Protests on Cotton Ruling

States Attack Authority Given
Warehousemen to Buy in Un-
licensed Carriers

GEORGIA, ALABAMA ACTION

Texas Commissioner Advises Trans-
portation Mutual Is No Longer
Licensed in His State

Commissioner Harrison of Georgia, following the lead of other insurance commissioners of Oklahoma and Texas, has written L. P. Talley, head of the Commodity Credit Corporation, protesting against the announcement of Treasurer G. E. Rathell, granting authority to warehousemen to place insurance on cotton stored in unlicensed companies. Commissioner Harrison calls attention to the fact that the placing of insurance in unauthorized companies is in violation of the laws of several states. He contends that the agents and companies that are regularly licensed and pay taxes and license fees are entitled to full consideration.

Commissioner Harrison states that if a warehouseman in Georgia places insurance for his customers, he is acting as agent and is guilty of a misdemeanor, if placing it in an unauthorized company. If he is placing it for himself he may, of course, deal with any company. If the company is unauthorized he cannot obtain the services either of an inspector or an adjuster in case of loss unless specific authorization is permitted by the insurance department. Commissioner Harrison says that the warehouseman owes an obligation to his customers who entrust their property to his care to give them the utmost protection. This he cannot do, says the commissioner, if he places his insurance in unauthorized companies, whether acting as agent for others or for himself as bailee. He writes further: "The laws of the several states cannot be set aside without harm, even if it involves only the withdrawal of state protection from those whose interests are jeopardized."

Superintendent Greer Acts

A vigorous protest has also been filed by Superintendent Greer of Alabama.

Mr. Greer points out that the only agents permitted to write insurance on corn are those licensed in the state in which the corn is warehoused. A similar provision should be made for cotton, he insists, since only licensed companies have agents in the state on whom suit can be brought in case of dispute.

If the government permits unlicensed companies to write a part of the cotton insurance, then the cotton states will fail to get the revenue "to which they are justly entitled," Mr. Greer added. This would give the unlicensed companies an advantage and be contrary to the fair practice purpose of the "new deal," he declared. Mr. Greer further pointed out that the state department of agriculture requires that cotton be insured only by licensed agents and for the federal government to do otherwise would cause a conflict.

It has been stated that the Transportation Mutual of Philadelphia is the company used by the McFadden interests to insure CCC cotton stored in the McFadden presses. It was stated that the recent revision in ruling by the CCC relative to insuring cotton whereby warehousemen are authorized to insure in unauthorized companies was devised

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VIEWED FROM NEW YORK

By GEORGE A. WATSON

BROKERAGE STUDY CONTINUED

The arbitration committee of the New York Fire Insurance Exchange has asked for another month in which to give further study to the rule on the payment of brokerage to office agents of casualty companies by their fire insurance running mates. This is the committee which levied fines of \$10,000

against the Automobile and Travelers Fire for violation of this rule. The companies have refused to pay the fine.

The special committee on courtesy policies reported progress in its deliberations and the exchange voted to continue in force until the November meeting the action taken at the special meeting in July, whereunder new appoint-

ments are not permitted in agencies writing more than 25 percent courtesy policy premiums, and an increase in percentage of courtesy policy premiums is not permitted beyond that previously written or beyond 25 percent, whichever is the larger.

Changes in methods of rating certain classes, which will produce a reduction in rates, were made. The classes affected are fire-proof theaters and motion picture houses, fire-proof asylums, churches, clubs, convents, dormitories, gymnasiums in connection with educational institutions, homes, hospitals, orphanages, parish houses, schools, Y.M.C.A.

buildings and laundries in connection with these risks.

* * *

ANNUAL INSTITUTE CONFERENCE

The Insurance Institute of America will hold its annual conference at the Hotel Pennsylvania in New York Oct. 23. The program calls for the presentation of the president's address, report of the committee on education, of which W. D. Winter is chairman; report of the secretary, E. R. Hardy, including a report of the board of governors; report of the treasurer. Reports from different societies and study groups will be heard. President J. V. Barry states "an interesting story may be expected of the institute's work the past year, and evidence of still further developments to which its members may look forward for the year to come."

* * *

ENTIRE STAFF AIR-MINDED

The entire staff of the United States Aviation Underwriters is now air-minded in a practical as well as theoretical way. All those who had not been up before went for a 30 minute seaplane ride over New York last week, the company splitting the cost of the trip. A nine-passenger Bellanca made two trips with all seats occupied. The trip entailed no inconvenience and minimum loss of time, as the plane belonged to the suburban airways line landing at the foot of Wall street, only a short distance from the U. S. A. U. offices.

* * *

GLOBE & RUTGERS EXTENSION

Supreme Court Justice Frankenthaler, who originally approved the plan for the rehabilitation of the Globe & Rutgers, has extended to Nov. 15 the time within which to make it operative. The period of grace will be used to complete arrangements with the New York department and the Reconstruction Finance Corporation for launching the enterprise anew under its own management. Consents to the rehabilitation program have been received from every state, from Canada and from a number of South American and European countries.

J. I. Reece Aspires to Seat in United States Senate

Joseph I. Reece, former insurance commissioner of Tennessee, who is under conviction of stealing \$100,000 in bonds from the state department, announced this week his candidacy for United States Senate and promised, if elected, to obtain a federal position for the principal defense witness at his trial, Miss Hilda McCary, who was an employee of the department when Mr. Reece was its head. She is under indictment on a perjury charge as an outgrowth of her testimony. Mr. Reece comes out as an "Independent Democrat" for the two-year unexpired term to which Secretary of State Hull was elected.

Mutual Company Men Meet In Savannah, Ga., Nov. 12-15

Delegates representing members of the National Association of Mutual Insurance Companies and the Federation of Mutual Fire Insurance Companies will gather Nov. 12-15 at the DeSoto hotel, Savannah, Ga. It is expected 400 to 500 will attend. There are over 800 company members in the former organization and 74 in the latter.

Hills Goes to Head Office

R. B. Hills, assistant manager of the Royal in Canada at Montreal, has been sent to the head office at Liverpool where he will have an executive position. He joined the L. & L. & G. at Brighton, Eng., in 1910 and later he was assistant inspector for Chile. Then he was made resident inspector for the L. & L. & G. for the Royal in Brazil and in 1930 was sent to Rhode Island.

We Had to Accept the Challenge!

Assembled for our annual field representatives' conference, at Watertown, N. Y., we again send our greetings to the insurance agents of the country.

This year the Home Office executives have challenged us that there are many more first rank agencies who should use the facilities of the EMPIRE STATE. We had to accept the challenge.

Therefore, as we pledge anew the cooperation of the 81-year old AGRICULTURAL . . . and its allegiance to the American Agency System . . . we naturally attest these same things for the EMPIRE STATE.

The EMPIRE STATE is under identical management with the AGRICULTURAL, thereby enjoying and benefiting from the long background of experience.

The EMPIRE STATE in its investment portfolio holds United States Government bonds alone in an amount more than enough to cover liabilities.

The EMPIRE STATE has a ratio of \$4.72 in assets for every dollar of liabilities.

Such strength and security is seldom equalled. If you are in a position where you can use a company of this exceptional stability, won't you please write the Home Office, who will notify one of us to see you—promptly.

H. C. Anger
Paul Billman
J. E. Bourcy
J. R. Brown
N. B. Browne, Jr.
F. F. Buell
R. E. Eisert
C. H. Frake
E. S. Freeman
J. J. Garland

A. L. Hollenbeck
E. C. Jessup
H. H. Landon
J. D. LaTeer
Wilson Lively
Paul Love
H. E. Miller
Wharton Mitchell
Stuart Morgan
Joseph Mottet

R. C. Parker
George C. Peacock
W. P. Phillips
William Rardin
E. R. Seaver
C. W. Sherwin
T. E. Snelling
L. E. Tanner
A. F. Turton
Paul Zoelzer

The Field Representatives of

Agricultural
Insurance Company.
of Watertown, N.Y.

Empire State
Insurance Company.
of Watertown, N.Y.



Reprinted from
ADVERTISING AGE
October 13, 1934

THE NATIONAL UNDERWRITER was the *first* insurance paper to join the A. B. C., having become a member in 1919. Today it is the only weekly insurance newspaper that is a member. It will continue its A. B. C. affiliation.

We do not say that we have "quality" circulation, nor do we generalize about

it by assuring you that it is "adequate". We simply hand you an A. B. C. statement which shows you just where our circulation is and the extent of it and enables you to decide for yourself the value of what we have to offer. In brief, we enable you to buy advertising on the same business-like basis that you buy everything else.

The National Underwriter

The leading weekly insurance newspaper

E. J. WOHLGEMUTH
President



C. M. CARTWRIGHT
Managing Editor

Wisconsin Mutuals to Hold Milwaukee Meet Oct. 23-24

Milwaukee, Oct. 17.—About 200 mutual agents and company officials are expected to attend the annual convention of the Wisconsin State Association of Mutual Insurance Companies here on Oct. 23-24.

President George Jacobs, Janesville will open the session. Speakers include R. E. Vernor, Western Actuarial Bureau, Chicago; T. C. McCracken, president National Association of Mutual Insurance Companies, Chicago; Harold C. Weiss, Reitan-Lerdahl Agency, Madison, Wis., who will discuss "Service an Agent Expects From His Company;" H. O. Wolfe, Milwaukee attorney, on "The Mortgage Clause and Endorsements," and J. E. Kennedy, executive secretary Wisconsin Mutual Insurance Alliance, Madison, Wis.

The meeting Wednesday will be devoted to the Mutual Insurance School, an open forum for discussion of agency and company problems. Leaders will be A. C. Fuge, secretary West Bend Mutual Fire; F. J. Mongin, Mongin Insurance Agency, Green Bay; John Schwalbach, secretary, Germantown Farmers Mutual; E. P. Hocking, George Jacobs Agency, Janesville; L. L. Sieker, secretary American Mutual Fire, Milwaukee; Gordon Bubolz, Bubolz-Jesse Mutual Insurance Agency, Appleton; Carl Janssen, secretary Mayville Limited Mutual Fire, and Calvin Marx, Marx Agency, Viroqua, Wis.

Wisconsin Local Agents Hold Annual Convention

(CONTINUED FROM PAGE 2)

who is 76 years old and mother of Ray E. Chartier, prominent local agent of Wausau is in charge of the women's entertainment.

Director Palmer of Illinois to Tell of Code at Lunch

There will be between 300 and 400 attending the luncheon of the insurance division of the Illinois Chamber of Commerce at the Stevens hotel, Chicago, Friday noon of this week to hear Insurance Director Ernest Palmer of Illinois tell something about the proposed new insurance code. H. A. Behrens, president Continental Casualty and Continental Assurance, who is chairman of the division, will preside. Seated at the speakers' table will be Walt Tower, executive secretary Chicago Life Underwriters Association; N. H. Bokum, general agent Massachusetts Mutual Life, A. S. Schwartz, president Illinois Brokers Association; J. S. Glidden, manager Chicago Board; W. P. Robertson, associate manager North America; J. S. Kemper, president Lumbermen's Mutual Casualty; E. M. Craig, president Builders Life; E. S. Ashbrook, president North American Life; F. R. Brown, president Rockford Life; E. A. Olson, president Mutual Trust Life; I. M. Hamilton, president Federal Life; G. R. Kendall, president Washington National; H. B. Hill, chairman of the board Abraham Lincoln Life; Henry Abels, vice-president Franklin Life; J. H. Camlin of Rockford and S. E. Moisant of Kankakee. Messrs. Camlin and Moisant are directors of the Illinois chamber.

Club Stages Fake Holdup

A messenger holdup was staged on the roof of the Insurance Exchange, Chicago, as a feature of the monthly meeting, to show the benefits of a new type of messenger's bag containing an alarm system. Upon being jerked from the messenger's hand, the bag, after ten seconds, fires four loud shots then emits a heavy cloud of yellow smoke for several minutes. G. W. Brown, president Bankers Protection Company, San Francisco, explained features of the bag,

on which the National Bureau of Casualty & Surety Underwriters allows 20 percent discount in premium. George Boynton, Standard Accident, president of the club, presided.

State Agent Goodridge Retires

The Fireman's Fund announces the retirement of State Agent George McG. Goodridge of Virginia owing to ill health. He will be succeeded by Special Agent W. C. Saunders, Jr., who has been assisting State Agent Goodridge. Mr. Saunders' headquarters are at 225 American National Bank building, Richmond, Va.

Cincinnati Underwriters Meet

Over 80 attended the meeting of the Cincinnati Fire Underwriters Association last week. R. E. Julian, assistant manager Ohio Inspection Bureau, Columbus, talked on the new merchandise and fixture form with fluctuating values and the new comprehensive automobile form. An open forum was held after the meeting.

St. Louis Agent Killed

T. C. Woodward, St. Louis local agent, was killed when he fell from a tree he was pruning in the yard at his home. He was formerly office manager for the Lawton-Byrne-Bruner Agency, but in recent years he had operated independently.

W. S. Crawford's Condition

W. S. Crawford, insurance editor of the "New York Journal of Commerce," after a rather rough experience in Post Graduate hospital, New York City, following his operation for appendicitis, is apparently on the road to recovery. His operation was successful but unfortunately he contracted pneumonia and for a while his situation was regarded as critical. He is now quite weak but his medical attendants say that he is out of danger.

Two Companies Sever Link with Indiana Farm Bureau

The State Farm Auto and the State Farm Life, both of Bloomington, Ill., have severed connections with the Indiana Farm Bureau, which has been acting as state agent in Indiana for both companies and H. R. Nevins, who has been state director of the two companies, will be in charge of the Indiana business. The present agency force will be continued. The automobile company writes full coverage and the life company writes life, accident and blindness insurance. Business thus far this year shows a gain of 59 percent over the same period last year for the life company and for the automobile company a gain of 29 percent. The life company operates on a stock basis, the stock being owned by members of the mutual automobile company.

B. E. Marsh Is Bereaved

B. E. Marsh of Topeka, state agent for the Phoenix of London group, is bereaved because of the death of his father, William H. Marsh, in Hinsdale, Ill.

National Fire Loss Down

NEW YORK, Oct. 17.—The country's fire loss for September as tabulated by the National Board aggregated \$16,243,870, which was 17.18 percent less than for the preceding month and 20.55 percent below September, 1933.

Miscellaneous Notes

Frank T. Priest, who will appear on the California association's convention in Sacramento, Oct. 24-26, is motoring out with Mrs. Priest and will make a combined business and pleasure trip.

B. O. Rodes, of the W. H. Markham & Co. agency, president of the Fire Underwriters Association of St. Louis, has been made chairman of the advance gifts committee of the St. Louis Y.M.C.A. \$149,500 fund campaign.

City and Country Know the Ohio Farmers

City and country business has come to the Ohio Farmers Insurance Company, and the Company's services are appreciated.

Damaging fires and tornadoes strike city and country districts. Losses from such causes are protected by Ohio Farmers Insurance Company policies.

Automobile policies also are written.

**FIRE
TORNADO
Automobile**

**OHIO FARMERS
INSURANCE CO., LEROY, O.**



EVERY WEEK

AMERICAN EQUITABLE ASSURANCE COMPANY OF NEW YORK

Organized 1918

Capital, \$1,000,000.00

GLOBE & REPUBLIC INSURANCE COMPANY OF AMERICA

Philadelphia, Pa.

Capital, \$1,000,000.00

Established 1862

KNICKERBOCKER INSURANCE COMPANY OF NEW YORK

Organized 1913

Capital, \$1,000,000.00

MERCHANTS AND MANUFACTURERS FIRE INSURANCE COMPANY

Newark, N. J.

Chartered 1849

Capital, \$1,000,000.00

NEW YORK FIRE INSURANCE COMPANY

Incorporated 1832

Capital, \$1,000,000.00

SUSSEX FIRE INSURANCE COMPANY

Newark, N. J.

Organized 1928

Capital, \$1,000,000.00

October includes Fire Prevention Week. How are you using it?

Every year that week serves to focus the attention of insurance buyers on the great loss of life and property from preventable fires. More important, it reminds people for one short week to be careful, to prevent preventable fires and cut down this loss.

Every arm of government and business lends its help. Agents, brokers and others in insurance are the key men in this effort. While their activity is unselfish, producers can turn it to profit.

Fire insurance protects every week and every day in the year. Similarly, fires should be prevented every week and every day. Therefore stress fire prevention every week and every day. Remind your clients that fire prevention is more than a one-week affair; that it is an every-week necessity. You will build confidence in yourself and business as well.

CORROON & REYNOLDS

Incorporated

INSURANCE UNDERWRITERS

Manager

92 William Street

New York, N. Y.

NEWS OF FIELD MEN

Kobman Joins Rhode Island

Wisconsin State Agent of Phoenix of London Takes Position in the Ohio Field

Ernest W. Kobman has resigned as Wisconsin state agent for the Phoenix of London to take a field position in Ohio with the Rhode Island. In his new connection he succeeds Clarence A. Hawk, who has resigned. Mr. Kobman is on familiar ground in Ohio, as he formerly traveled in that state for the Phoenix of London. He was subsequently transferred to Iowa and Nebraska by the Phoenix and rather recently was transferred to Wisconsin.

Plan Several Inspections to Be Held Soon in Ohio

Directors of the Ohio Fire Prevention Association at a meeting in Columbus discussed plans for the coming year. Dover will be inspected Feb. 26. H. P. Winter, of Canton, and W. H. Witherpoon, Columbus, were named a committee to make arrangements.

Rogers, Vernor to Speak

At the inspection at Dayton, Oct. 17-18, Harry K. ("Smoky") Rogers of Chicago will talk to the schools and R. E. Vernor, manager fire prevention department Western Actuarial Bureau, Chicago, will speak. Mr. Rogers also will appear at the inspection in Alliance, O., Nov. 1. Mr. Rogers will speak at Mt. Union College. An essay contest is being arranged for children in the schools.

Grand Nest Appointees Named

S. A. Mehorter, Blue Goose Chief, Announces His New Deputies and Committee Chairmen

S. A. Mehorter, most loyal grand gander of the Blue Goose, has announced his appointments for the coming year as follows:

Deputy most loyal grand ganders—Oregon, western Washington, W. P. Cassell, Seattle; eastern Washington, Utah, Idaho, Montana, E. G. Eldredge, Salt Lake City; California, Arizona, M. C. Colwell, Phoenix; Colorado, Wyoming, New Mexico, F. S. Young, Denver; Virginia, Carolinas, Georgia, Florida, K. R. Smith, Raleigh; Kentucky, Tennessee, Alabama, C. P. Thurman, Louisville; Mississippi, Arkansas, Louisiana, W. W. Sampson, Jackson, Miss.; Oklahoma, Texas, R. C. McConnell, Dallas; Minnesota, Dakotas, D. P. Lemen, Sioux Falls; Michigan, Ohio, Indiana, J. A. Bawden, Indianapolis; Iowa, eastern Missouri, R. P. Osier, Des Moines; Illinois, Wisconsin, C. W. Ohlsen, Chicago; Kansas, Nebraska, western Missouri, N. K. Nelson, Topeka; western Pennsylvania, West Virginia, F. J. Breen, Pittsburgh; New England and New York (except New York City), H. V. Thayer, Boston; New York City, New Jersey, Maryland, eastern Pennsylvania, J. R. Knowlan, Philadelphia.

Canada—Central, J. H. Riddell, Toronto; eastern, H. Churchill-Smith, Montreal; British Columbia, C. V. Wakely, Vancouver; Alberta, R. J. Crighton, Calgary.

At large—W. E. Mallalieu, New York; C. N. Homer, San Francisco; J. K. Shepherd, Little Rock; J. D. Cherry,

Montreal; R. E. Vernor, Chicago.

Committee chairmen are: Jurisprudence, W. E. Mallalieu; life insurance, W. T. Benallack, Detroit; constitution and by-laws, Paul E. Rudd, Milwaukee; ritual, Francesco Seley, Portland, Ore.; memorial, F. C. Newcomer, Oklahoma City; emblem, W. T. Benallack; regalia, J. H. Hayden, Oklahoma City; educational, L. L. Law, Minneapolis; employment, C. M. Cartwright, Chicago; historian, H. Verne Myers, Waterloo, Ia.

Illinois Blue Goose Gets Trophy and Is Entertained

About 120 members of the Illinois Blue Goose turned out for the first event of the season on Monday evening. After some short introductory business during which the Illinois pond was presented with the grand nest trophy for most meritorious work during the year, by Sam A. Mehorter of New York, most loyal grand gander of the Blue Goose, the spotlights were turned on and the members were entertained by some first-class talent from the world fair including fan dancers, veil dancers, etc.

A. T. Ahlin, Norwich Union, presided as most loyal gander of the Illinois pond. He called on C. W. Ohlsen, western manager of the Sun, immediate past most loyal gander in Illinois, who introduced Mr. Mehorter, who was recently made agency supervisor in the eastern department of the Home of New York. Mr. Mehorter responded gracefully and then Mr. Ahlin called on L. H. Bridges of Chicago, the immediate past most loyal grand gander of the Blue Goose. Mr. Bridges presented the trophy to Mr. Ohlsen in behalf of the Illinois pond. C. J. Lingenfelder, agency superintendent of the western department of the America Fore companies, presented Mr. Ohlsen with a past most loyal gander's pin and Mr. Ohlsen responded.

Then Mr. Ahlin turned the meeting over to John Chickering, Cook County

manager of the Sun, who performed as master of ceremonies, he being chairman of the entertainment committee. A message of greetings was sent to P. J. V. McKian, wielder of the Illinois pond, who has been confined in the hospital with a complication of maladies and injuries for three months. Incidentally Mr. McKian is expected to be able to leave the hospital Saturday of this week. Among those in attendance was W. J. Trainor of New York, publicity director of the North British & Mercantile.

Virginia Cooperating Committee

D. L. Coulbourn, state agent National of Hartford, heads a committee of the Fire Insurance Field Club of Virginia appointed to function with a committee of the Virginia Association of Insurance Agents in promoting the sale of stock insurance in competition with mutuals. Other members of his committee are B. P. Carter, Richmond general agent, and J. A. Belmeur, state agent St. Paul Fire & Marine. Members of the agents' committee are J. D. Ewell, Richmond; C. R. Dey, Norfolk, and Roger Clarke, Fredericksburg. It is planned to hold regional meetings in different parts of the state for the purpose of educating the agents.

Plan Middletown, O., Inspection

D. W. Snider and Harry Walburg, representing the Middletown Insurance Agents Association, and D. C. Pugh and R. W. Hukill of the Ohio Fire Prevention Association have completed preliminary arrangements for a town inspection in Middletown, Nov. 15. H. K. ("Smoky") Rogers, fire clown, will put on his act for all public and parochial school children. The fire department will put on a demonstration.

Ohio Bureau Club Meets

W. F. Friedman of the Western Sprinkled Risk at Columbus was the speaker at the October meeting of the



NORTH STAR INSURANCE COMPANY

Reinsurance of Fire and Allied Lines

90 JOHN STREET, NEW YORK

200 BUSH STREET, SAN FRANCISCO

Ohio Association of Fire Underwriters, Bureau field men's group, at Columbus. John Frazier of the Firemen's group at Cleveland was admitted as a member.

Knapp Goes to Texas

John E. Knapp of Jacksonville, Ill., one of the state agents of the Firemen's group, has been transferred to San Antonio, Tex., for the time being and expects to be there until spring.

Ohio Farmers Roundup

The Ohio, Indiana and Illinois field men of the Ohio Farmers gathered at the head office in Leroy last week for a quarterly conference. The sessions were conducted by Secretary J. C. Hiestand.

C. W. Davis' Duties Extended

Charles W. Davis, formerly manager of the western department of the General of Seattle with headquarters in Chicago, has been appointed superintendent of agents for that company with supervision in Missouri, Kansas, Illinois, Wisconsin and Indiana. His headquarters continue to be at 200 North Broadway, St. Louis. He has been connected with the General of Seattle in various field capacities in the middle west since shortly after the company was organized and since the time of the discontinuance of the western department, he has been state agent for Missouri.

Kaga Is Indiana Adjuster

NEW YORK, Oct. 17.—In succession to H. A. Payne, recently called to the head office of the Home, Don G. Kaga has been appointed staff adjuster for Indiana. Following his graduation from Northwestern University in June, 1931, Mr. Kaga was employed as a clerk in the Chicago office of the Home, seven months later being made an adjuster for the Cook County department. In May, 1932, he was further advanced to special agent in Indiana.

Cress With St. Paul

F. O. Cress has been appointed special agent for the St. Paul Fire & Marine in western Oklahoma, with headquarters at Oklahoma City. He will work under State Agent R. B. Wentworth. Mr. Cress recently has been with the Underwriters Salvage Co. at Little Rock, Ark.

Gives Lecture on Sports

COLUMBUS, O., Oct. 17.—The Ohio Fire Underwriters Association, at its meeting here, was addressed by former State Senator J. F. Atwood, who discussed hunting and fishing and similar sports. H. H. Howarth, Joseph Smiley and Bruce Bridgeford, all of the North America group, were admitted as members.

Joins Balfour, Guthrie & Co.

Rial Whitlock has been appointed central California special agent of the Balfour, Guthrie & Co. general agency. He was formerly manager of the Arizona Equitable Rating Bureau and special agent of the Automobile of Hartford.

Field Notes

A. H. Kindler, special agent in Portland, Ore., for Crum & Forster, was the guest speaker before the Spokane Blue Goose.

I. H. McCarthy spoke before the San Francisco Blue Goose Oct. 15 on "Chemical Warfare Against Organized Crime." Elmer Bonstin, vice-president Pacific National, supervisor of the pond, presided.

The first inspection of the season by the Illinois State Fire Prevention Association will be in East St. Louis, Oct. 24. H. K. ("Smoky") Rogers will be on hand. Mt. Vernon will be inspected Nov. 21.

Corbold Retires at Toronto

Having reached retirement age, C. E. Corbold of Toronto withdraws as fire superintendent of the London & Scottish and Scottish Metropolitan.

New Appraisal Handbook Gives Quick Valuations

"Boeckh's Manual of Appraisals" is a new book of distinct value to fire insurance men. Local agents, field men, adjusters and company engineers will find its impartial, scientific figures to be a sound guide to the amount of insurance which should be carried on any building. Its tables of reproduction costs, with supplementary tables of depreciation and insurance exclusions, yield a valuation which is accurate and extremely easy

and quick to obtain. Its tremendous amount of additional cost data will be of great help in determining the amount of a loss.

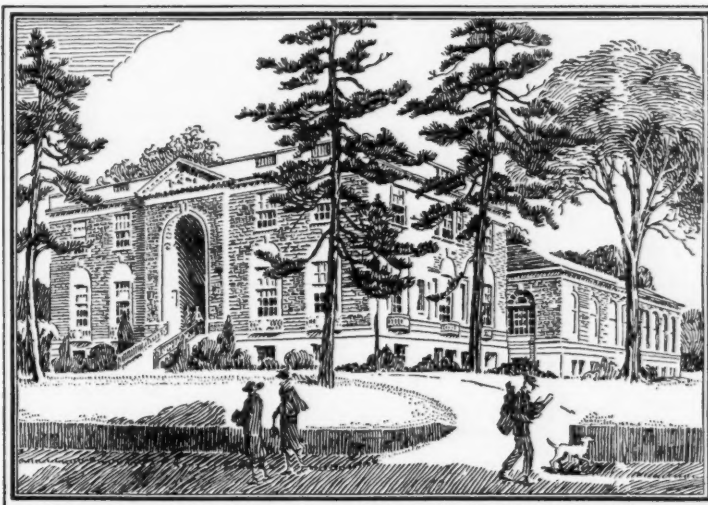
The manual is simple to use so that a good fire insurance man, with his general familiarity with building construction can make sound and accurate appraisals by checking the detailed appraisal report work sheet and then filling in the few cost figures required from the manual's tables.

The manual's appraisal method was originated by Major E. H. Boeckh, a consulting valuation engineer of recognized standing. It begins with simple definitions of appraisal requirements,

giving specific plans to use under various conditions. This is followed by general instructions on appraisal procedure for both field and office work.

The book then goes directly into a vast tabulation of cubic foot costs for 97 types of buildings. These buildings are further subdivided into classes of construction and size, making a tabulation in excess of 3,300 individual cubic foot costs, with corrective factors for many thousand possible deviations from the standard type defined.

The manual is for sale at \$5 and is published by the Rough Notes Company. It can be secured from THE NATIONAL UNDERWRITER.



Conservative as New England Progressive as America Security of New Haven

93 YEARS OF SERVICE

93 years of age has earned for this conservative New England company an established reputation for stability and fair dealings among insurance companies, agents, and policyholders.

Its 93 years of service demonstrates its stability and the fact that it is a recognized influence and factor in the insurance field.

However, this Company does not cling to all the methods that were necessary and expedient in the past. Instead the SECURITY of NEW HAVEN realizes that it is essential to meet present day conditions and to make

progressive changes as those conditions demand.

It is the practice of this "conservative-progressive" New England institution to make changes when they are appropriate and to modify and adjust its practices whenever necessary to the welfare and progress of the Company itself and its agents and policyholders.

Because the SECURITY of NEW HAVEN is such a company it appeals to sound thinking, conservative agents who want only the best in their agency.

1841

Security Insurance Company
OF NEW HAVEN, CONNECTICUT

AFFILIATE COMPANIES:

The Connecticut Indemnity Company
NEW HAVEN, CONNECTICUT

The East and West Insurance Company
OF NEW HAVEN, CONNECTICUT

California Union Insurance Company
SAN FRANCISCO

WESTERN DEPT.: ROCKFORD, ILL.

PACIFIC COAST DEPT.: SAN FRANCISCO, CALIF.

Local Board Conferences Are Found Most Helpful

Financing of local boards by pooling commissions on city, county and school property, a general sentiment in favor of high agent's license fees and a marked interest in mutual company representation were among the high lights of the local board conference representing cities of from 50,000 to 250,000 population during the recent convention of the National Association of Insurance Agents in Grand Rapids. C. E. Swope, Jr., of Louisville, presided.

The local boards of Kalamazoo, Mich., and Sacramento, Cal., have both arranged to place all local governmental insurance through the board, all members participating and servicing the business and the commission going to the board. M. T. Morrissey of Sacramento stated his board writes not only the fire insurance but also the automobile. These commissions, plus \$10 annual dues, have so far been adequate to support the organization. This suggestion met with favor among the other board members, particularly those which have no juris-

diction over casualty insurance. They are compelled to depend upon voluntary statements of the members as to their casualty premiums for assessment purposes.

Paul H. Taylor of New Haven, Conn., spoke on the question of eliminating part time solicitors. He condemned agency qualification laws as useless, stating that in Connecticut there are now from 7,500 to 8,000 licensed agents, 65 being in Commissioner Dunham's home town which has a population of 2,000. The Connecticut agency qualification law is one of the oldest on the statute books. Under the Connecticut law it is illegal for a local board to try to restrict any person who qualifies for a license from participating in the insurance business. Mr. Taylor is one of a committee of three that has recommended an annual license fee of \$100, to be paid by the individual and not by the insurance companies.

An almost unanimous condemnation of qualification laws followed Mr. Taylor's

remark, and speakers generally blamed the multiplicity of agents on the insurance companies and on political pressure on the insurance commissioners. President McAlister Carson of the North Carolina association was about the only one to report a satisfactory situation. He asserted in his state all applications for licenses are referred to the office of the association in Raleigh. If the state association is not familiar with the applicant it turns to the local board and the commissioner is guided by the association's report.

While everyone present was opposed to solicitors, the consensus was that promiscuous appointment of part time agents causes more trouble than solicitors.

Relations With Mutuals in New England Harmonious

The interest displayed in mutual company representation surprised many listeners. H. W. Hatch of New Britain, Conn., outlined the situation in New England, stating that in all six New England states mutual representation is common place, many mutuals having been in offices as long as 100 years. With the exception of a few mutuals writing dwelling houses only, the agency mutuals in New England operate at tariff rates, subject to dividend and subscribe to the rating organizations. They pay full commissions on fire lines and in general their relations with the agents were reported as perfectly harmonious. The practice of the agency writing mutuals is to refrain from any direct writing unless and until the board attempts to clear the local agencies. This practice has always resulted in the mutuals establishing a direct representative and going after the business hammer and tongs, whereupon the local board usually gives up its attempt and affairs resume their normal course.

W. C. North of Bridgeport, Conn., stated that all of the 66 agencies in his local board were clear of mutuals but explained it by the fact that the New York influence is strong in his section of New England. Outside of the area close to New York City, New England agents take on mutuals as a matter of course.

All Favor Making the Membership Coextensive

Sentiment was unanimous in favor of making local membership coextensive with membership in the state and national associations. Chairman Swope stated that both the NRA and the CCC had questioned the right of the National association to speak for the body of local agents and his statement that coextensive membership was a logical solution to this problem met with no opposition. The only difficulty facing some boards was the question of assuming jurisdiction over the casualty and surety business, where the board's charter does not so provide.

Separation with reverse English was the keynote of the discussion on the "in and out rule." Everyone agreed that a local board is powerless unless it can compel its members not to represent companies which have nonboard agents, or whose affiliates have. As a matter of practical necessity, it was agreed that the best way to reduce this rule is to apply it first only to new agency appointments and gradually to tighten up.

The discussion on branch offices and overhead writing found the agents agreed that no action against companies which offend on these points can be effective unless it is directed against every company in the fleet. The members advocated nation-wide action, but reserved any resolutions for the general session on branch offices.

Little was said about fictitious fleets, the last of the regular topics scheduled for discussion, except that in the new applications for agents' licenses in Kentucky they must agree not to write fictitious fleets or other group plans which violate anti-discrimination laws.

Two other subjects not on the program were discussed. E. R. Pickett of Sacramento advocated efforts to give

Greater Activity Found Each Year, Early in Week

In days gone by the National Association of Insurance Agents' annual meetings started Wednesday and the vast majority of members did not arrive until that morning. A few years ago Tuesday began to be a very important day and now Monday and Tuesday in many ways eclipse the big show. Monday this year assumed a more important air because for the first time there was a conference of executive secretaries and managers of state associations and local boards. Quite a number gathered in conference and they are to meet hereafter both at the mid-year and annual meetings so that this adds one more what might be termed side show to the big tent.

Out of various experiments have come these supplementary conferences. For instance the national councillors from the four large underwriting jurisdictions meet regularly, this year holding breakfast conferences Tuesday morning. Then came the meeting of the national council. It is presided over by the national president.

Not so many years ago the state officers were called into informal session and now that particular feature has become a fixed part of the Tuesday program, the meeting being presided over by the chairman of the national executive committee. This year a regular program of set talks was arranged at the state officers' meeting. Heretofore there has been no particular agenda. The national councillors and state officers met at a joint luncheon on Tuesday.

Local Board Conferences Are Now Fixed Feature

The local board conferences in three groups have been sandwiched in the program usually at some breakfast prior to the regular meeting. This year these three conferences were held Tuesday afternoon. Therefore Tuesday might be called a big convention day and in some respects it takes on more interest than the regular meetings. Monday this year found a large number of people on hand visiting company headquarters, getting in touch with state delegations, hobnobbing in the lobby and in rooms. The result of this early activity in the forepart of the week has served to materially lessen the number that stay over for the Friday meeting.

the local board a prominent position in the community life. He stated that all California local boards are affiliated with the chambers of commerce and other civic activities and as a result have a high standing with the local governing bodies. Chairman Swope approved this plan and stated that the Louisville Board affiliates itself with the other luncheon clubs in promoting civic activities.

Lyle H. Gift of Peoria, Ill., brought up the question of group advertising, stating his board had greatly improved collections last year by cooperative advertising financed on a pro rata basis. When the advertisements were discontinued, the gain in collections was lost, so the Peoria Board is about to continue the practice. F. S. Compton, president of the Duluth Underwriters Association, also reported success in cooperative advertising. His group has used copy and layouts similar to the mutual advertising. Although an inquiry blank did not bring many replies the Duluth association intends to continue its advertising.

M. T. Morrissey of Sacramento, struck the only dissenting note toward cooperative advertising, reporting that advertising of riot and civil commotion insurance by the Sacramento Board had not resulted in the sale of a single pol-

if You value a spirit of friendliness and co-operation we have a service to render you

1824-1934

TRUE the Yorkshire company is over 100 years old - its assets exceed 60 millions - but more important is the spirit which has led to success

Strength The insurance business is a business of strength and the Yorkshire company is a company of strength

ORDERED LIBERTY The Yorkshire company is a company of ordered liberty

OF COURSE HE'S A SCOT! and just as naturally these companies maintain their character - conservative - friendly - and efficient - with substance

90 JOHN STREET THE YORKSHIRE LONDON PROVINCIAL SEABOARD YORKSHIRE NEW YORK CITY

These ads have served to remind you of the character and policies of this organization.

We wish to take this occasion to assure the Agent that we fully appreciate that his character and policies are as important in this business as our own.

The right combination of Agent and Company assures the public protection and everlasting good will for the Insurance business

icy. Others blamed this on the fact that only a single advertisement was run and insisted that cooperative advertising must be continuous to show results.

As the meeting closed Mr. Gift distributed copies of the report of the Illinois association on the situation involving the properties of the Catholic diocese of Peoria.

GROUP 1 SESSION

Handling of public property insurance through local boards, accepting into membership agents representing mutual companies, cooperative advertising and initiation of safety and fire prevention campaigns took the lead in the discussion of how local boards may be strengthened and made of practical value to their membership in local board group conference No. 1 attended by agents from towns with population up to 50,000. C. C. Eubank, of Ogden, Utah, which has a notably strong local board, presided and John K. Boyce of Amarillo, Tex., acted as secretary.

"The local board has become an important integral part of the organized agency system," Chairman Eubank declared in his opening remarks. He recommended standardization and complete coordination of such units.

In the discussion of the first item, "Methods to pursue that will increase membership and the standing of local boards," the Louisiana delegation led and was attended closely as 95 percent of the business in that state is written by local board and state association members. W. E. Leigh, speaking for the Monroe board, said that several years ago membership was restricted to full time agencies, but agents who are seriously in the insurance business but have other lines of activity such as real estate are now accepted. To join this board an agent must pay \$540 initiation fee and four new members have been added in the past three or four years on these terms. Monthly dues of from \$4 to \$8 are charged and a substantial balance is maintained in the treasury.

Jay B. Allen, Sioux Falls, S. Dak., reported complete harmony and a strong board in that city of 25,000. Local public property is written through the board.

Advises Against Stressing the Social Activities

Chairman Eubank recommended safety or advertising campaigns rather than stressing social activities and Mr. Leigh remarked that their board does all agency advertising, relieving the members of the embarrassment of turning down many appeals.

Alphonse Davis, New Iberia, La., said unless an agent is a member of a board in his state, it is very difficult for him to get companies to represent, adding:

"We've about reached the peak in local board and state association membership," Mr. Eubank said. "In Ogden we have made ourselves strong with the chamber of commerce and participate in all civic service campaigns. When we ask for anything, we're pretty apt to get it." Insurance of local public property is now practically handed to the board on a silver platter, he said.

C. Stanley Stults, new president of the New Jersey association, said they have both local and county boards in that state.

A tremendous number of licensed agents in California makes local board development there most difficult, according to Frank Colridge of Oakland, and the process of reducing the number of those not entitled to be considered or licensed as insurance company representatives is under way. Cooperation to this end is now being accorded by board companies. Representation of companies in the same group locally is a part of the problem to be worked out.

In considering the question of membership in local boards of non-policy writing and mixed agencies, C. E.

Fisher of Muncie, Ind., said that Indiana needs a recodification of its insurance laws and a better agency qualification law. Muncie has a strong board, however.

R. A. Lord, of Owosso, Mich., in response to Mr. Fisher's inquiry, said that in certain particulars the Michigan law also needs revision on agency representation. In Utah, as result of statute changes, the number of agencies had been cut from about 900 to around half, Mr. Eubank said.

When liability was dropped on public owned automobiles in Council Bluffs, Ia., leaving only compensation, the local board lost the business, Mr. Hen-

dricks of that board stated. It was held by the state's legal department that the liability coverage was superfluous.

Edward A. Storvick of Albert Lea, Minn., urged that members of the association play up the trade name "insuror," use of which is restricted to National association members.

C. L. Sotherden of Elyria, said that Ohio, because of the large number of agents and the several natural industrial divisions, has divided the state association into nine districts.

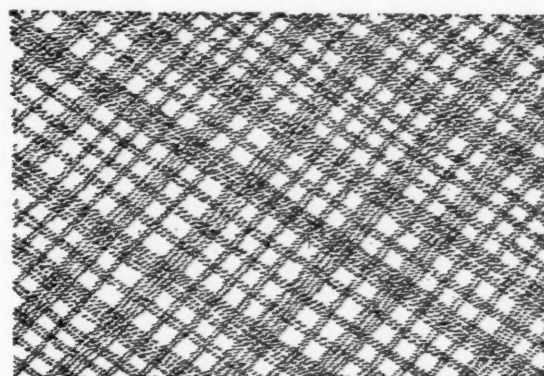
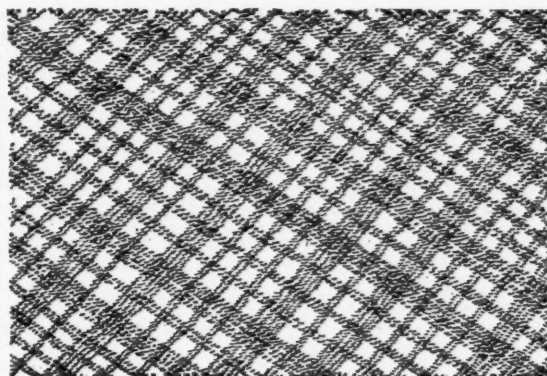
Under the item relating to association programs, Mr. Eubank said Ogden had profited greatly by participating in local service programs, and their board has

many characteristics of local service clubs.

Linn Hall of Fairmont, W. Va., remarked on the excellent results they had obtained through including office help in their programs at times.

J. A. Searles of Marion, Ind., said that business meetings for members are held on the first Saturday of each month and on the first Thursday evening there is a social gathering attended by the wives of agents and the office help, and this creates a large interest.

Paul V. Landry of Klamath Falls, Ore., said they had found it wise to accept into membership agents of well established mutual companies.



WOOL . . or . . SHODDY

An expert can tell . . .

An expert can tell the difference between fabrics woven of virgin wool and of shoddy—but most of us must test their wearing qualities by actual use. In insurance, it is much the same. Most policies look alike and read alike—their goodness can be tested only by calamity. • Insurance experts furnish, and careful buyers are keen to have insurance in a time tested company, assuring coverage and service maintained at the highest quality and not whittled down to a price—in other words, *protection*.



**HARTFORD FIRE
INSURANCE COMPANY**
HARTFORD • CONNECTICUT

AS SEEN FROM CHICAGO

KEMPER ENTERTAINS AGENTS

Thirty insurance agents, winners of a nation-wide sales contest conducted by the American Motorists, enjoyed a four-day tour of the Century of Progress in Chicago as guests of that company. Various other points of interest in the city were visited and one morning was devoted to a trip through the home office. President James S. Kemper presided at a banquet in the Edgewater Beach Hotel.

MILLERS NATIONAL PENSION PLAN

The Millers National of Chicago has instituted a pension plan for its employees, having made a contract with the Metropolitan Life. This is one of the very few fire companies that has a scientific pension plan. Some of the companies have retirement plans which are self administered, but very few have such an arrangement through a life insurance company. On the average, employees of the Millers National will, at their retirement, at age 65, receive a pension equal to about half of the salary they are then receiving. The maximum pension will be \$2,000 a year.

VERNOR ADDRESSES FIELD CLUB

Reduced fire insurance premiums in the depression period, employing the 60-day loss clause and public education in fire prevention work, all are important factors in the continual reduction in fire losses, R. E. Vernor, manager fire prevention department Western Actuarial Bureau, Chicago, told the Cook County Field Club at the first fall meeting, but one of the most important factors is the amazing change that has come in the profession of fire fighting. Many firemen are electing fire department work as a career. They are attending fire colleges and learning fire engineering. Firemen are not washing a building away by brute force any more, Mr. Vernor said. There were 10,000 firemen in the fire colleges this summer. Fire departments are having to keep up to date and are doing so. Firemen are taught the rudiments of chemistry. Before going into burning buildings they must know what to expect in the way of poisonous gas. Another important item is the work of engineers, rating bureaus, companies and agencies conducted for many years, out of which emerged the fine building codes in many cities. A campaign for removal of old buildings is going on throughout the country.

It had been expected by many insurance men that when the business curve turned upward and fire premiums began to rise, losses would likewise. But this has not happened. The losses this year were lower than they have been in a long time. Mr. Vernor urged fire insurance men not to become lukewarm on fire prevention, for, he said, American

business is decidedly in the picture and will stay in. Unless the insurance men lead in this work, business will take over the responsibility of leadership in it. A. H. Wishard, America Fore, president of the club, was in the chair.

EIGHT BROKERS ARE NOMINATED

Eight names were submitted by the nominating committee of the Insurance Brokers Association of Illinois to fill posts on the board of directors for vote at the annual meeting to be held in the Chicago Board auditorium the afternoon of Oct. 26. The slate of the committee headed by S. L. Dickinson, chairman, is: M. A. Goldstein, A. L. Hitchcock, E. E. Mack, J. A. Mudd, Jr., C. E. Nolan, R. M. Redmond, Gail Reed and E. V. Turner. They are nominated for three-year terms. Other nominations may be made as the by-laws extend this privilege, the nominations to be in writing over signatures of nominees. Petitions must be in the hands of Secretary J. H. Slagle by Oct. 19.

NEW AGENCY TRAINING PLAN

Somewhat a new idea in the training of agents has been initiated by the W. A. Alexander & Co agency in Chicago. Four men began a two-year training course in which they will receive all around experience in the eight major departments of the agency, spending three months in each division. They will receive a nominal salary during this period and will be encouraged to write personal business.

Full commissions will be allowed on all business written, which will be set aside in a reserve to be turned over to each man at the expiration of his course when he will be given an opportunity to do sales work.

The idea was conceived by Wade Fetzer, Jr., vice-president of the agency, and worked out with the cooperation of the other agency members.

It is Mr. Fetzer's idea that the insurance business has lost many desirable men to other businesses. Banks and department stores, for example, have spent thousands of dollars in the selection and training of their men.

The plan is in an experimental stage as yet, and some of the details have still to be worked out.

Mr. Fetzer believes great opportunities exist in the business and that a good man will bring out about a greater net profit in the end than the average man to the agency. He believes that the insurance business will have to find some such plan to select and develop good men to carry on in order to meet the competition of other businesses. The insurance business has had a high turnover and there has been much mediocrity and a dearth of good men. Good men, however, cost money.

The men were secured through an ad-

vertisement in a daily paper. About 250 replies were received. The four men selected after interviews with each applicant were chosen after careful investigation. Previous insurance experience was not required. The men are about 24 years old. A college education was preferred, but not a requisite and young college graduates were not desired.

FRED BRUMMEL A CANDIDATE

Fred W. Brummel, Democratic candidate for reelection to the board of tax appeals of Cook county and Chicago, was a former well known insurance man, having been a partner in the agency firm of Brummel Brothers from 1900 to 1913. He is a brother of Henry C. and Joseph J. Brummel, present members of the firm. Prior to that time he was connected with the old local agency of the German Fire of Freeport in Chicago, that was in charge of Manager Spangenberg. Leaving the insurance field he went into the real estate business and was connected with that line until two years ago when he was appointed a member of the board of appeals, he having proved to be very efficient in the line. He founded the firm of Brummel Bros. He organized the Fred W. Brummel Company, the real estate firm, of which he is president, in 1913.

BASKETBALL LEAGUE MEETING

Managers of member teams of the Chicago Insurance Basketball League will meet at the offices of the North America, at 209 West Jackson boulevard, at 5:30 p. m., Oct. 19. Election of officers will be held and general plans for the coming season devised. Chicago insurance organizations interested in entering a team are invited to send representatives to the meeting.

LOSS MEN HOLD FIRST MEET

The Western Loss Association held its first meeting of the season on Tuesday of this week with President H. M. Ferrers, superintendent of the loss department of the Springfield, presiding. A nominating committee was appointed to bring in recommendations at the annual meeting in November. The committee consists of John Shea, Aetna Fire; T. E. Heald, National of Hartford, and Stanley L. Nelson, North America.

Directors of Auto Body Conduct Autumn Meeting

NEW YORK, Oct. 17.—Directors of the National Automobile Underwriters Association are holding their fall meeting in the rooms of the Eastern Underwriters Association here today, and will have a further session tomorrow. Details of the matters to be passed upon by the company executives were whiped into shape by the staff committee of the organization at its gathering Tuesday.

The Alliance of London has been admitted to Colorado.

Grand Rapids September Loss Total Is Only \$400

GRAND RAPIDS, MICH., Oct. 17.—Grand Rapids set a new all-time record for low fire losses during September with a total loss of only \$400 for a city of nearly 170,000 population.

The excellent record for the month makes more probable than ever the attainment of a new all-time low loss record for the year as the nine-months total is but \$56,393, only a little more than half the loss up to this time in 1933 which was one of the best years in the city's history, with a per capita loss of only 88 cents. At the three-quarter mark of the year the loss is now 31 cents per capita. Grand Rapids has won several awards in the inter-chamber fire waste contests of the U. S. Chamber of Commerce and is almost certain to lead its class and perhaps all classes if the present trend is maintained.

Report Factory Mutuals to Receive Dominion Licenses

OTTAWA, ONT., Oct. 17.—It is reported that in the near future the New England factory mutuals, comprising some 25 companies, will receive Dominion licenses. Although the group has done business in Canada for almost 50 years, it operated on an unlicensed basis until 1927, when provincial licenses were granted by Ontario and Quebec. The point of controversy has been the insistence of the mutuals that they could not segregate their assets to set aside a deposit for the protection of Canadian policyholders as required by federal law.

The certificates will be granted on a showing that the company holds in Canada assets in excess of liabilities, in accordance with the amendment to the foreign insurance companies act passed this year.

F. & G. Fire Michigan Specials

R. K. Davis and F. R. Grosvenor have been appointed special agents for the Fidelity & Guaranty Fire, with headquarters in Detroit. They succeed W. G. Brownson, resigned.

Mr. Davis, who is being transferred from the home office, has been in charge of the underwriting department and will be in charge of the Detroit and Wayne county territory, while Mr. Grosvenor, who has been with the Michigan Inspection Bureau for the past eight years, will be in charge of the state outside of Detroit and Wayne county.

The French Union & Universal has been licensed in Arkansas with T. F. Baker, Little Rock, as its authorized agent.

MARSH & McLENNAN

Insurance

FIRE
CASUALTY

LIFE
MARINE

BOND
AUTOMOBILE

164 West Jackson Boulevard, CHICAGO

NEW YORK
MINNEAPOLIS
BUFFALO
BOSTON
PITTSBURGH

DETROIT
COLUMBUS
INDIANAPOLIS
CLEVELAND
LONDON

ST. LOUIS

MONTREAL
PHOENIX
WINNIPEG
DULUTH
VANCOUVER

SAN FRANCISCO
LOS ANGELES
PORTLAND
SEATTLE
TULSA

Oct. 31 Deadline Taken Seriously

(CONTINUED FROM PAGE 1)

separation into effect in the excepted cities. Then Engelhard, Krogman & Co. took on the representation of four additional non-affiliated companies, stating, however, that this did not mean they had decided to go non-affiliated. Subsequently the Connecticut Fire, which had been the leading company in the Engelhard, Krogman office, withdrew from the agency.

From all appearances, there is likely to be some action in the next two or three weeks. Probably most of it will come in the last day or two before the dead-line or perhaps a day or two after, as everyone will be putting off the final decision in the most difficult cases until the last minute. Probably there will be a good many mixed agencies in existence after the dead-line.

In the ordinary territory, separation is a continuous process. There are always a certain number of agencies, even in the best regulated states, that are the subject of frequent conferences, where the interested field men are given 30 days and then 60 days, etc., to clear. There is no reason to suppose that if separation becomes a generally accepted fact in the excepted cities, that there will not be a few mixed agencies to create a running problem.

Ice Is Now Broken

The ice was really broken in Chicago last Saturday when the agents representing companies in the Royal-Liverpool group received a diplomatically worded ultimatum from the western department of those companies in New York. Such agents were requested to inform the Royal-Liverpool organization of the companies represented in the agency and by Oct. 20 to give an expression of views concerning "the continued representation." The communication went on to say that the Royal-Liverpool is not undertaking to dictate the agent's decision and that if he desired to relinquish the representation of his Royal-Liverpool company, his business would be religiously protected and there would be no bitterness.

This was really the first bold stroke made by any company. The western manager of one of the American companies a few weeks ago sent a suggestive, but far from peremptory communication to his agents. He invited them to come up and see him some time. Otherwise the separation negotiations at Chicago have been entirely oral and somewhat apologetic so far as the companies are concerned.

Some of the agents representing Royal-Liverpool companies in Chicago have discussed the situation among themselves and there has been some sentiment in favor of all of such agents preparing a joint reply, rather than making individual replies. Such a movement has not taken concrete form, as yet.

Wants Explosion Covered Under Dwelling Fire Form

Joseph J. Schuch of the Schuch & Schuch agency, Elmhurst, Ill., makes several interesting suggestions in the following letter to THE NATIONAL UNDERWRITER:

"In line with maintaining the income of the agency forces it would seem fitting that the fire coverage be broadened to include all forms of explosion inside or outside of dwellings to dwelling risks, and therefore instead of the various clauses now in the rule book known as 'dwelling inherent explosion,' 'explosion hazard-dwellings,' 'gas explosion clause' and 'explosion, riot, aircraft, self-propelled vehicles' supplemental clause, each of which can be added to the fire policy by the attachment of an endorsement, that the 'explosion, riot, aircraft, self-propelled vehicle' clause be made part of the dwelling form in place of the

'dwelling inherent explosion' which is now part of the form, and that the fire premiums be increased 2 cents per annum or term multiples thereof.

"This would be in keeping with the change that was made when the 'hail' clause was made a part of the windstorm coverage, and the rates were increased.

"It would eliminate a lot of endorsements, make accounting more simple, the dwelling form could be used on general combined fire and windstorm policies. This would add the additional premium to the fire business without an extra effort to sell the additional coverage and tend to eliminate friction with the assured. With all of the clauses now appearing in the rule book, there are very few policies now being issued that have any of the various explosion clauses attached."

Miscellaneous Notes

The Arkwright Mutual Fire of Boston has been licensed in Tennessee.

W. O. Dunn of the Dunn & Corby Investment Company, Manhattan, Kan., died recently.

Reserve Underwriters, Inc., of Cleveland has been incorporated by W. R. Brunn, D. M. Findling and L. Rosewater.

W. F. Charles has succeeded Grace H. Charles as proprietor of the Oakwood Insurance agency, 374 South Luther, Detroit.

Trusted Local Agencies Discussed

L. W. Garlich, local agent at St. Joseph, Mo., in commenting on the subject of the handling of trusted agencies, makes the following comment:

"As owner of an agency which has paid its balances in full promptly when due for the past 42 years, and writing probably as large a volume as any other agency in the city, I have felt that the action taken by certain field men in regard to certain agencies in my city, which had fallen behind with their balances, has worked a severe hardship on myself as well as other prompt paying agents.

What Competition Brings Forth

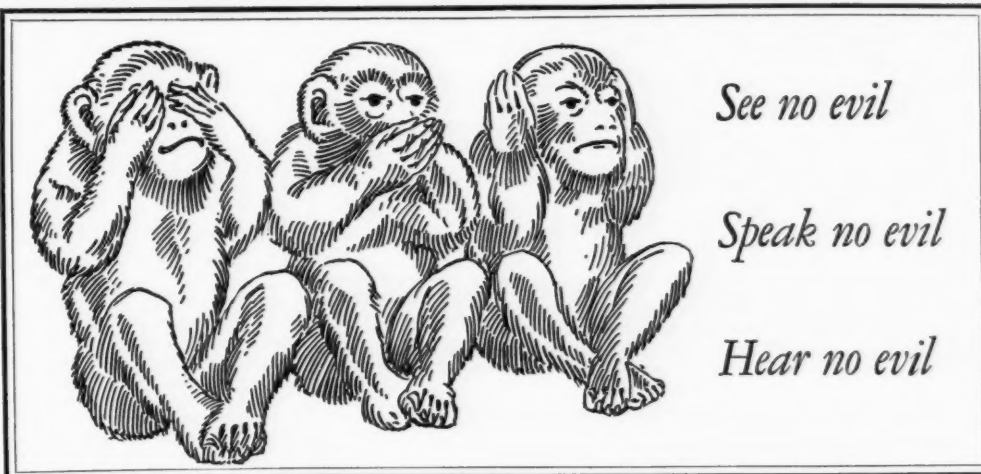
"I insist upon payment of at least a portion of all premiums within 45 days, and if not paid, cancel. I also push a consistent collection system. Although one of these agents which has been in trusteeship has been suspended two times during the past year, that same agency permits its assured to let their accounts run six months or longer, without any payment. We have many customers where our agency has part of the line, and the trusted office has part. Consequently when I insist upon

prompt payment, in many cases I lose the business.

"I believe this is putting the companies themselves in competition with me and along with other agents in the city, call it unfair competition. If this agency were called on the carpet, as the manager in your article stated was the custom in his days when he was a field man, I know that at least one of these agencies could have raised the money in full. Of course, in addition to this criticism, we always have a company which will plant with an agent who has just finished beating some other company or companies out of a large balance.

Promotes Shady Dealings

"This is a serious question confronting honest agents, and it is up to the companies themselves to correct it. I have often stated that the companies give me no incentive to refrain from running up a \$30,000 to \$50,000 balance, and moving to another town. As a matter of fact, their action in handling the trusted agencies during the past three years, has promoted this very thing."



See no evil

Speak no evil

Hear no evil

GOOD ADVICE

But we can better it as it applies to local insurance agents. See nothing, say nothing, hear nothing—and you'll sell nothing! In other words, in these days of keen competition, to increase your business you've got to see everything, hear everything and do a lot of talking. Sales talk! You must be alert to your opportunities and make the most of them... The "Springfield Group" likes to give advice along business production lines. Likes to talk about advertising and helping its agents to build up their premium incomes... We should like to discuss this subject with you, if you're interested... Just write to the Business Promotion Department.



THE SPRINGFIELD GROUP OF FIRE INSURANCE COMPANIES
SPRINGFIELD FIRE AND MARINE INSURANCE COMPANY
Chartered 1849 Cash Capital, \$5,000,000.00
SPRINGFIELD, MASSACHUSETTS
GEORGE G. BULKLEY, President

Harding & Lininger, Mgrs., Chicago. John C. Dornin, Mgr., San Francisco. W. E. Findley, Mgr., Montreal

CONSTITUTION DEPARTMENT, Springfield, Massachusetts
SENTINEL FIRE INSURANCE COMPANY, Springfield, Massachusetts
MICHIGAN FIRE & MARINE INSURANCE COMPANY, Detroit, Michigan
NEW ENGLAND FIRE INSURANCE COMPANY, Pittsfield, Massachusetts

STATEMENT AS OF JUNE 30, 1934

ASSETS	
Mortgage Loans	\$ 103,950.00
*Bonds and Stocks	7,107,653.33
Cash on Deposit	738,848.76
Premiums in Course of Collection	849,873.95
Reinsurance Recoverable on Paid Losses	40,850.35
Interest Accrued	38,098.63
Missouri Premiums Impounded	53,538.22
	\$8,932,813.24
LIABILITIES	
Unearned Premium Reserve	\$3,840,899.83
Unadjusted Losses	265,881.00
Missouri Impounded Premiums	52,863.29
Minnesota Surcharge	182.89
Voluntary Reserve	150,000.00
†Contingency Reserve	185,158.56
Capital Stock	\$1,000,000.00
Net Surplus	3,437,827.67
	\$8,932,813.24

*Valuations on basis approved by National Convention of Insurance Commissioners.

†Contingency Reserve, represents difference between value carried in assets and actual June 30, 1934, value.

Incorporated 1897

Northern

Insurance Company
of New York.

83 MAIDEN LANE, NEW YORK

Fire, Tornado, Automobile Insurance

THE LONDON & LANCASHIRE
INSURANCE COMPANY, LTD.

ORIENT INSURANCE COMPANY

LAW UNION & ROCK
INSURANCE COMPANY, LTD.

SAFEGUARD
INSURANCE COMPANY

ENGLISH AMERICAN
UNDERWRITERS AGENCY

STANDARD MARINE
INSURANCE COMPANY, LTD. (Fire Dept.)

GILBERT KINGAN, Manager
Eastern Department
20 Trinity St.
Hartford, Connecticut

W. W. GILMORE, Manager
Pacific Department
332 Pine St.
San Francisco, Cal.

C. CLAUSSEN, Manager
Western Department
223 W. Jackson Blvd.
Chicago, Illinois

For Over Fifty Years Good Friends of Local Agents

Californians Fight Sinclairism Idea

(CONTINUED FROM PAGE 1)

losses. Insurance men, an educated and thinking group, will be welcomed as administrators under the EPIC system * * * *

Commenting on the situation, the San Francisco "Chronicle" says: "Leaders of the life insurance business are much concerned, and rightly so—not because such a program will seriously affect their business but because, as one executive has stated, 'we would be derelict in our duty to policyholders if we did not point out these conditions. Policyholders in California stand to lose actual property which they have accumulated by thrift through the efforts of our underwriters, backed by the constitution of the United States. * * * Insurance, in behalf of its own holdings and in behalf of the independence and welfare of its policyholders, propose to fight Sinclairism by distributing the truth about its service. Policyholders of legal reserve insurance who vote for Sinclair are surrendering the very property they have struggled to create and the initiative that has made America great. It is very likely that if Sinclair becomes governor 'Epic' will mean in fact 'end policyholders in California.'"

Insurance has joined hands with capital, labor, commerce and industry in the formation of "A League Against Sinclairism." The movement was publicly launched at a monster demonstration and luncheon in San Francisco October 11. Prominent at the speakers' table were J. B. Levison and William R. Spinney.

Commenting on the gubernatorial situation in San Francisco Laurence E. Falls, vice-president of the American of Newark, said: "Insurance companies are owners and trustees of large amounts of invested savings which are the property of a widespread list of stockholders—many of them people of modest means, and for that reason we are very much interested in the forthcoming gubernatorial election in California."

Francis V. Keesling, past-president American Life Convention, is addressing the massmeeting of underwriters Friday of this week.

Warning one of the largest groups of life managers and general agents ever held in San Francisco that unless the peril presented in drastic economic changes sponsored by Sinclair is "stopped by best citizenship of our state it will lead to the end of our business activities, insurance and otherwise," Commissioner Mitchell at a meeting Tuesday urged wholehearted cooperation in the defeat of Sinclair.

Concerning life insurance directly he said: "All business and particularly life insurance is emerging from a great depression. The men who comprise it, with chins up, are fighting for the future. What brought life insurance through with flying colors and public confidence? The sound thinking men who are an integral part of this state of all commercial enterprises—by their soundness, integrity and ability brought the great ship of life insurance safely back into port. These men who served with such glory in the past cannot stand idly by now and see another menace take away all that has been gained. This is a splendid opportunity to again show the world that it has not misplaced confidence in our ability to think clearly and protect its interests."

W. J. Arnette, chairman general agents and managers section San Francisco association, presided.

Miscellaneous Notes

Because of ill health, C. D. Smith has sold his agency in Toledo to the Leo S. Hildebrand Co.

Will Cody and Marlowe Peters have opened a new agency at Antigo, Wis., local agents for the Prudential.

Nelse C. Hansen, east Des Moines local agent, has been elected president of the Home Owned Business Association of Des Moines.



TIME-TRIED
AND
FIRE TESTED

THE PHOENIX INSURANCE COMPANY
of Hartford, Conn.

THIS COMPANY PUBLISHES SEVERAL EDUCATIONAL FOLDERS. YOU MAY HAVE ANY OR ALL OF THE THREE LISTED BELOW, BY INDICATING YOUR CHOICE ON THE COUPON AND MAILING IT TO THE OFFICE OF THE COMPANY AT 30 TRINITY ST., HARTFORD, CONN.

- ☐ COINSURANCE CLAUSE - A BRIEF, POPULAR EXPOSITION OF AN IMPORTANT FEATURE OF MANY INSURANCE CONTRACTS.
- ☐ RIOT AND CIVIL COMMOION INSURANCE - WHAT IT IS, WHY IT IS AND HOW IT WORKS, TOLD IN A CLEAR, CONCISE STYLE.
- ☐ USE AND OCCUPANCY INSURANCE - A SHORT EXPLANATION OF THIS COMPLEX SUBJECT.

CHECK THE ONES YOU WANT AND FILL OUT COUPON

NAME..... N. U.

TITLE.....

ADDRESS.....

CITY.....STATE.....

Late News from the Casualty Field

Absolved of Blame in Death of R. J. Sullivan

NEW YORK, Oct. 17.—In homicide court here today H. G. Godfrey of Scarsdale, N. Y., was cleared of all suspicion of homicide in connection with the death of Robert J. Sullivan, vice-president of the Travelers, who was struck by an automobile driven by Mr. Godfrey late on the night of July 18. He died in a hospital a few hours after the accident. Testimony today was to the effect that the accident was unavoidable as Mr. Sullivan stepped from behind an elevated railroad pillar directly into the path of the Godfrey automobile.

Seek Two in Michigan for Soliciting Without License

LANSING, MICH., Oct. 17.—Warrants have been issued at the instance of the Michigan department for two men accused of soliciting insurance in Kalamazoo and Lansing without licenses, one of them for an unlicensed carrier.

E. K. Collins, a former inmate of the Ionia reformatory, is said to have solicited business in Kalamazoo for the Michigan Mutual Liability and the Mutual Benefit Health & Accident. He is not licensed but is said to have placed the business through licensed agents, representing himself as a broker. The department has exonerated the carriers of any blame in connection with the case.

"H. Stearn," representing the Pacific Coast Autoists Association, a California carrier which apparently does not claim to be an insurance organization, is named in the Lansing warrant. He is said to have collected \$3 down payments from several prospects in connection with the sale of "service" contracts which provided regular automobile insurance benefits. The premium to be charged was \$19.25 per year.

Michigan Surety Men Scan Short-Term Tax Bond Lines

DETROIT, Oct. 17.—Michigan surety men are scanning the short-term tax bond situation rather closely, with new township treasurers soon to take office. The bonds will be written this year under a new statute which makes such bonds optional with the county treasurer. He may notify the township supervisors that the \$1,000 qualifying bond is sufficient. However, in such cases the county treasurer automatically makes himself personally responsible for the township treasurer whom he permits to operate without the short-term tax bond protection. The short-term bonds are written at \$2 per \$1,000 of tax assessments regardless of the amount of the bond.

The worst feature of the act, from the surety companies' standpoint, is that it holds the township treasurer responsible for the collection of the entire personal assessment roll. Should he fail to collect such an assessment, due to the taxpayer's removal from his jurisdiction with his property, for example, the township treasurer is forced to make good the loss from his own pocket and if he fails to do so, the surety is liable. The liability also holds in cases where the township official is not sufficiently diligent in his collection of this tax, and fails to collect from each assessed taxpayer.

Van Buren, Mayes K. C. Speakers

KANSAS CITY, MO., Oct. 17.—James Van Buren, resident vice president of the Fidelity & Deposit, addressed

the Junior Underwriters Association here. A. A. Mayes, casualty underwriter for the C. D. Williams agency, spoke on automobile insurance. About 25 attended the meeting.

Mail Convention a Hit

BALTIMORE, Oct. 17.—The convention-by-mail of the United States Fidelity & Guaranty is attracting increasingly favorable comment as its effects accumulate. The convention has been in session since the first part of September, when the first illustrated card was mailed, carrying an address of welcome delivered by President E. Asbury Davis. His address has been followed twice a week by cards, appropriately illustrated, delivering simple and direct talks by well-informed insurance men, embodying information, ideas and suggestions. These talks by home office executives, managers and agents from coast to coast are pointing the way to additional profits for those who act on the suggestions given, it is stated at the home office. The last address in the convention-by-mail will be sent Nov. 24.

Candidate Promises Cooperation

COLUMBUS, Oct. 17.—At a meeting of the Ohio Association of Casualty & Surety Managers a letter was read from C. J. Brown, Republican nominee for governor, who was unable to be present, stating that in the event of his election he would appoint as superintendent of insurance a capable, experienced man, and that he would cooperate in the seeking of legislation that insurance men believe would be for the best interests of the policyholders and companies. Mr. Brown also declared that so far as it lay in his power he would try to bring about reforms such as insurance men desire in the agency system, and that he would favor an increased appropriation for the Ohio department.

Backs Associate Member Drive

PHILADELPHIA, Oct. 17.—At its first fall meeting the Casualty Underwriters Association agreed to back in a systematic manner the campaign of the Insurance Federation of Pennsylvania for associate members and to endeavor to enroll all employees in their respective offices in the federation.

Coast Conference Reelects

LOS ANGELES, Oct. 17.—At a special meeting of the Southern California Fidelity & Surety Acquisition Cost Conference, these officers were reelected: A. I. Zimmerman, American Surety, president; Joe Johnson, Aetna Casualty, vice-president, and Harold Vreeland, Associated Indemnity, secretary-treasurer.

Act May Be Unconstitutional

DETROIT, Oct. 17.—The Michigan legislature, in passing the new act governing the depositing of tax funds in 1933, probably made it unconstitutional by putting it in the general property tax law, S. T. Mason, insurance attorney, told the Surety Association of Michigan at its last meeting. Mr. Mason spoke on "Public Official Bonds." "It is the consensus that the title of the general property tax law is not sufficiently broad to cover the provision relieving the surety from liability," said Mr. Mason. "Therefore we still have a hazard to face."

In writing tax collectors' bonds, it is important to remember that on receiving the proper tax roll it is the duty of the tax collector to proceed to collect taxes. "It does not rest with him to determine their validity, nor to fail to attempt collection where the property owner does not challenge the tax but merely does not pay it."

Wray, Colo., which about two years ago was transferred from an eighth to ninth class, due to insufficient fire protection, has made the required improvements for restoration to its old class and is now being rerated by the Mountain States Inspection Bureau.

INCORPORATED 1799

PROVIDENCE WASHINGTON INSURANCE CO.

of Providence, R. I.

Capital \$3,000,000

INCORPORATED 1923

ANCHOR INSURANCE CO.

Providence, R. I.

Organized and Owned by the Providence Washington Insurance Co.

Capital \$1,000,000

Each of these Companies writes the following classes of Insurance

FIRE—TORNADO—OCEAN and INLAND MARINE

AND THEIR ALLIED LINES

AUTOMOBILE—FIRE, THEFT and COLLISION

COMBINED POLICIES

AUTOMOBILE—FULL COVERAGE

GOLFERS' EQUIPMENT and LIABILITY

WITH

MARYLAND CASUALTY CO.

WESTERN DEPARTMENT: 175 W. Jackson Blvd., CHICAGO, J. R. Cashel, Manager

"Sly hands are grasping at your furs"—

what stronger warning could women receive that their valuable furs are in danger? Emphasizing the hazards that threaten good furs, and the low cost of adequate protection, the Alliance national advertising for October tells the reader to "Ask the Alliance Agent".



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CHICAGO
209 W. Jackson Blvd.SAN FRANCISCO
231 Sansome Street

THE NATIONAL UNDERWRITER

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Wanted—Agreement on Fundamentals

WE were impressed with some of the statements made by President E. J. COLE of the NATIONAL ASSOCIATION OF INSURANCE AGENTS in his talk before the Vermont agents, in which he stated that his association is perfectly willing to deal with the companies on questions of mutual issue so that palpable abuses may be removed and unfair practices eliminated. Unless the companies agree to confer and talk over these subjects with the local agents then, President COLE boldly asserts, the agents will be compelled to take up their grievances with the state insurance commissioners.

There was a collapse of the machinery when the NATIONAL ASSOCIATION OF INSURANCE AGENTS endeavored to bring about a working agreement with the companies through a committee appointed by the latter so that within the business itself these vexatious problems might be solved. Seemingly the two interests could not get together on a platform of mutual satisfaction.

The NATIONAL ASSOCIATION OF INSURANCE AGENTS then filed with the NRA its famous code to deal with unfair practices. The companies resented this action very much. We do not pretend to say who was responsible for the failure to work out the harmonious agreement. The water has gone over the dam and nothing can be done about it. Unfortunately relations were considerably strained so that it is rather difficult to bring the two elements together.

However, we do say that the insurance business is being harmed by the companies on the one side and the agents on the other, moving farther apart and becoming more suspicious of one another. From Mr. COLE's frank remarks we judge that his organization is becoming more militant. It has established a service office in Washington, D.

C., and it is becoming more outspoken.

There is entirely too much "nationalism" in insurance just as there is in this great world of ours. We thoroughly believe in a nation or a branch of business standing for its sovereign rights but when it attempts to monopolize everything and grant the other side nothing, trouble is sure to ensue. The slogan, "Buy in the United States," "Buy British," "Buy German," only leads to tariff and economic barriers, a greater surcharge of nationalism. This eventually means conflict. Applying the same principle to business, unless all hands in the same industry or activity work together in harmony and walk along with unity, there must be waste and friction which may lead to warfare.

There are certainly a few fundamentals in fire insurance and its collateral lines to which agents and companies can subscribe. Perhaps it will be impossible to reach an agreement on some of the more debatable subjects. It will be impractical to deal with the minutiae of the business or attempt to establish too many rules. We do feel, however, that the time has come when there should be a working conference on some of the salient principles underlying the very structure of insurance. Each side has its rights and they should be respected. Those rights might be defined, at least the more elemental ones. Warring forces get nowhere and bring trouble and disaster.

There are plenty of upstanding, forceful, far-seeing men guiding the companies as well as the agency ranks. They should lead the two lines together. Recognizing the fact that "cooperation, conciliation and conference" means progress and unity in the business there should be another attempt to build a platform on which all can stand in accord.

Make the Dotted Line Talk

IT HAS been well stated that the first line to feel the effect of returning prosperity will be the dotted line. That is of chief interest to salesmen of all kinds. There is nothing more encouraging to the insurance salesman than to be able

to get a signature on the dotted line and to know that the applicant will be able to pay his premiums. The men who make the dotted line talk are in demand. They are the advance agents of prosperity.

PERSONAL SIDE OF BUSINESS

The "Southwest Insuror," which will be "a periodical devoted to the interests of sound insurance in the southwest," will be launched the latter part of October by **John C. Leissler**, publisher, with offices at 1011 Cotton Exchange building, Dallas. He was formerly insurance editor of the Chicago "Journal of Commerce."

John A. Cosmus, who retired last January as vice-president of the Connecticut Fire of the Phoenix of Hartford group, died at his home in Hartford. He was 66 years of age. He was educated as a civil engineer. His insurance career started in 1897. In 1905 he was appointed special agent for the Connecticut Fire in New York. A year later he was transferred to the home office as general agent and in 1908 was elected assistant secretary. Four years later he was named secretary, in 1914 was elected a director and in 1920 was named vice-president.

J. M. Bostwick, founder of the J. M. Bostwick & Son agency at Port Washington, Wis., and also operating an agency in Milwaukee, has reached the age of 97. In spite of his age and a broken hip, Mr. Bostwick continues active in insurance work, as well as in various business and manufacturing enterprises which he still heads.

William Stredelman, who has had an agency in Cincinnati since 1890, and Mrs. Stredelman celebrated their 50th wedding anniversary Oct. 14. Mr. Stredelman has been a trustee of the Cincinnati salvage corps for many years. Among members of the family and friends who gathered to honor the couple was William, Jr., who is connected with the Arkansas rating bureau.

M. S. Farrell, Oregon special agent of the Fireman's Fund, and Miss Mildred Watts of the Oregon Insurance Rating Bureau were married in Seattle.

C. Claussen of Chicago, western manager of the London & Lancashire, who was seriously injured in an automobile accident at Dorset, Vt., while he was down east to attend the meeting of the Western Underwriters Association, is still confined to his home. He is resting comfortably but will not be back to his office for two or three weeks. He had his shin bone fractured and that is holding him to his bed.

Roy A. Hunt, former vice-president of the American Central Life, has joined the business staff of the "Insurance Index" of Chicago. Mr. Hunt is not new to insurance journalistic work. For many years he was connected with the "Insurance Field" as associate manager.

C. R. Page, vice-president Fireman's Fund, is on an extended eastern trip. En route to New York, Mr. Page visited Portland, Seattle and Chicago. He will return to San Francisco early in November.

F. W. Jennings of the Jennings-Hooper-Knowlton Insurance Agency, Salt Lake City, died at his home there at the age of 77.

R. R. Chapman is gradually becoming secretary of all the companies in the Corroon & Reynolds group. The latest company of which he becomes secretary is the Globe & Republic. He is Pacific Coast manager of the group.

D. P. Barrett, Indiana state agent of the Niagara, who has been in the hospital for several weeks, was taken home Sunday and is improving steadily.

An operation has been performed at the St. Louis county hospital, Clayton, Mo., on **E. V. Thompson, Jr.**, to determine the cause of the coma in which he has continued since he was injured

in an automobile accident on June 1. The results have not yet been announced, but it is probable that a major cranial operation may be the last recourse to restore him to consciousness and health. Young Thompson was associated with his father in the Thompson, Kincade, O'Connor & Powers agency, St. Louis.

John Peterson of Chicago, manager of the hail insurance department of the Great American, has been confined to his home for a month or so on account of dropsy. Mr. Peterson resides at 5921 Magnolia avenue in Chicago. He is one of the acknowledged authorities in the hail business.

Though still at the French hospital in New York City, where he has been for 11 weeks, **J. A. Campbell**, vice-president of the Home, is showing steady improvement after his most recent operation.

Lee C. Paull, head of the Wheeling, W. Va., agency bearing his name, and his son, **Lee C. Paull, Jr.**, treasurer of the agency, were on the "prospect list" of kidnapers who are said to have confessed a plot to abduct Betty Bloch, tobacco heiress, and hold her for \$25,000 ransom. Their homes have been under guard since this information was obtained by government operatives.

Out near Bridgeport, in western Nebraska, the pheasants are leading a miserable existence because four insurance marksmen have designs upon their lives. Postal card intelligence is that the pheasants are dying like flies. The killers are John Rygel of Chicago, assistant western general agent for the Hanover, Paul H. Barr, Nebraska state agent for the Hanover, L. E. Yager, president of the Chicago Board, and W. P. Ackerman, local agent at Bridgeport.

B. F. Hildebrand, 30 years in the insurance business at Hiawatha, Kan., and father of F. L. Hildebrand, Kansas City, general agent of the Abraham Lincoln Life, died Oct. 7 at the age of 70. He was active up until a few days before his death.

Mr. Hildebrand left newspaper work about 30 years ago to become associated with the New York Life at Hiawatha. Later he became special agent in Kansas for the Fidelity & Casualty. In 1914 he opened the Hildebrand Agency at Hiawatha, which he operated until his death.

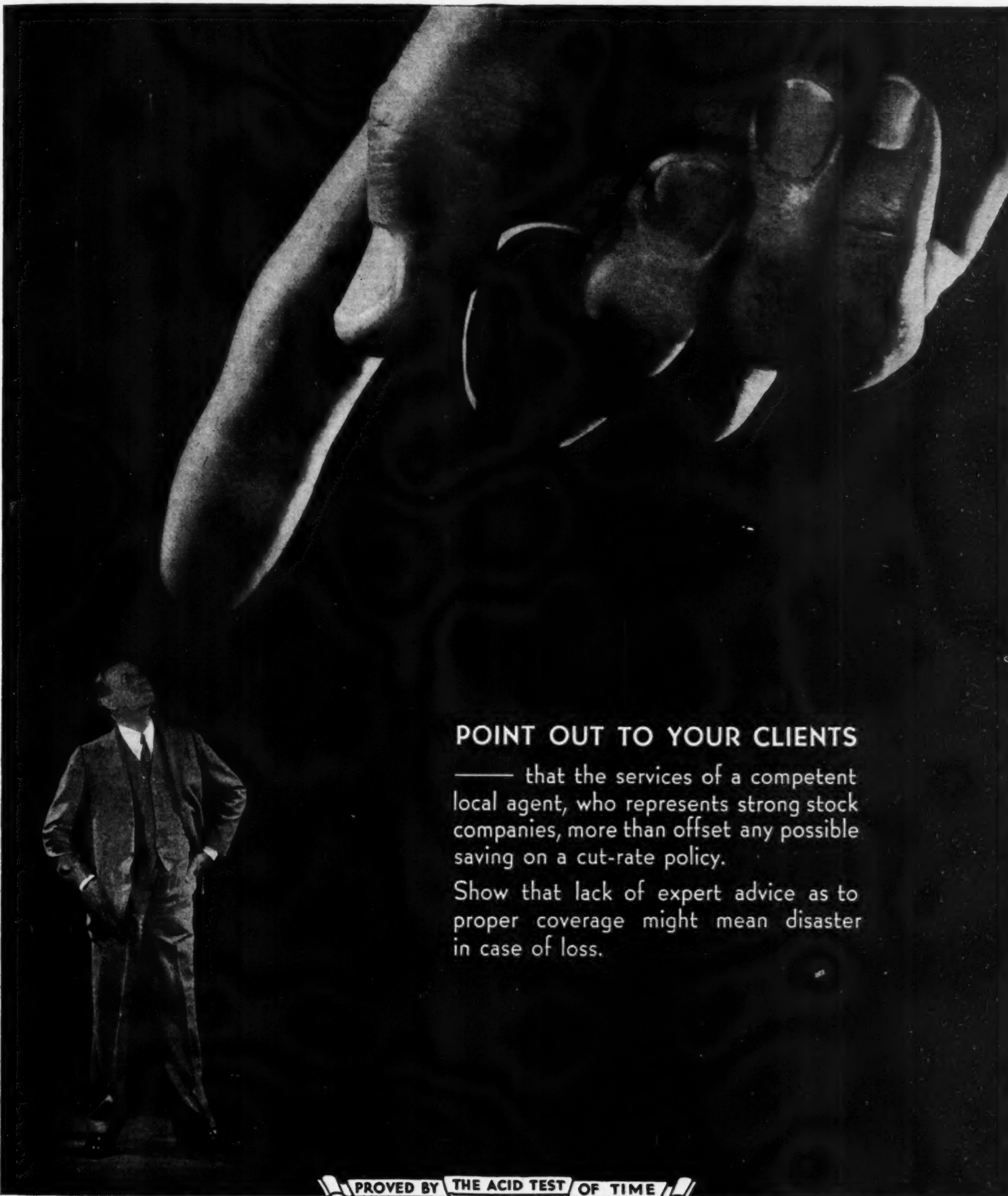
The agency will be continued by another son, **J. H. Hildebrand**, who has been working with his father the past few years.

John W. Nichols, local secretary in New York City for the Queen, completed 40 years' service with the company Oct. 11. In recognition of the event he was given a luncheon by a number of his associates, Harold Warner, United States manager of the Royal-Liverpool group, acting as toastmaster.

W. H. Heiny, 83, for 45 years head of the Heiny Insurance Agency, Monticello, Ind., died there after an illness of two weeks.

Trace Disastrous Fires to Birds Carrying Fags

Disastrous fires have been recently traced to birds, writes **John S. Stuart**, in "Argosy Magazine." The birds pick up smoldering cigarette butts from the street, carry them off to their nests in the eaves of buildings or warehouses, fires break out and people wonder why.



POINT OUT TO YOUR CLIENTS

— that the services of a competent local agent, who represents strong stock companies, more than offset any possible saving on a cut-rate policy.

Show that lack of expert advice as to proper coverage might mean disaster in case of loss.

PROVED BY THE ACID TEST OF TIME

The AMERICA FORE GROUP

THE CONTINENTAL INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane,



of Insurance Companies

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY

ERNEST STURM, Chairman of the Boards
BERNARD M. CULVER, President

New York, N.Y.

NEW YORK CHICAGO SAN FRANCISCO

ATLANTA DALLAS

MONTREAL

FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Hilgemann Milwaukee Chief

Elected President of Local Board There at Its Annual Meeting to Succeed B. A. Lehnberg

MILWAUKEE, Oct. 17.—L. C. Hilgemann, vice-president of the Leedom, O'Connor & Noyes Co., for many years active in the Milwaukee Board and



L. C. HILGEMANN

prominent in the Wisconsin Association of Insurance Agents, was elected president of the local board at the annual meeting. He succeeds B. A. Lehnberg, vice-president of Chris. Schroeder & Son Co.

With the advancement of Mr. Hilgemann from vice-president to president, Val Gottschalk of Gottschalk & Hargarten was elected vice-president; E. P. Hunkel, G. P. H. Hunkel & Son, re-elected secretary, and W. F. Lynch, Blatz-Kasten & Co., re-elected treasurer. Joseph Grundle is assistant secretary and treasurer.

Directors elected for three years are Mr. Lehnberg, W. B. Calhoun, Calhoun Insurance Agency, president of Wisconsin association, and F. J. Lewis, George H. Russell Co. Theodore Johnson, R. R. Elsner Co., was elected a director to fill an unexpired two-year term.

Seeks Civic Agencies' Aid for Fire Prevention Work

Recommendations to the Indiana Association of Insurance Agents by its committee on fire prevention, of which W. H. Bruner of South Bend is chairman, urge the organization of all the civic agencies in each community in behalf of a permanent educational campaign to reduce fire hazards and increase public consciousness of the civic and monetary value of such efforts.

Mr. Bruner recommends that chambers of commerce, business men's associations, civic clubs and influential persons in each community be brought into permanent relation to fire prevention work. A low fire loss ratio is not a true index of the efforts of a community to prevent fires, in his opinion, for the actual physical hazards of one city or area differ materially from those of another.

Middle Western Notes

C. W. Simonson, 72, local agent at Stevens Point, Wis., for 35 years, died there from pneumonia.

F. G. Richmire, local agent at Morocco, Ind., well known in Indiana insurance circles, died a short time ago. Mrs. Richmire will continue to carry on the business.

Regional Meets in Michigan

Plan Revival of Sectional Gatherings—First Tentatively Scheduled for Flint on Nov. 1

DETROIT, Oct. 17.—The regional meetings of the Michigan Association of Insurance Agents will be revived this year by President J. Alfred Grow, Homer Warren & Co., Detroit. The regional meetings will be held in several sections during the administrative year in connection with the sessions of the governing committee. This will enable the members to become better acquainted with the officers and directors and the work of the association, as well as affording an opportunity to discuss the more pressing problems confronting the agents in these districts.

The first of the regional meetings will be held in Flint, with Nov. 1 as a tentative date. An all-day session will be held with informal discussions of current problems and no set speeches. Non-members throughout eastern Michigan will be invited to participate, particularly prospective members.

The second regional meeting will probably be held in Kalamazoo, sponsored jointly by the Kalamazoo and Battle Creek associations and bringing in agents from Grand Rapids, Muskegon and the entire southwestern section of the state. The date tentatively selected is the first week in December.

The third will probably be held in Detroit jointly with the Detroit Association of Insurance Agents in the spring. In July there will be a joint session with five local boards in the Upper Peninsula, according to present plans, and the northern portion of the state will gather at Petoskey in the fall for the midyear meeting.

Rate Cutting Now Develops

Farmers Mutual Reinsurance Is Writing CCC Corn Insurance at 50 Cents in Illinois

Rate cutting seems to have developed in connection with insurance on corn on which the Commodity Credit Corporation is making loans. Under the new program, the individual borrower must purchase insurance and the rate that was established was 75 cents per \$100 of insurance. Now the Farmers Mutual Reinsurance, an Illinois Farm Bureau organization, has sent out an announcement that they will take this insurance for 50 cents per \$100. They are soliciting the farmers to purchase insurance through the various county farm bureaus in Illinois. The announcement was sent to every farmer that signed the corn-hog program this year. The Farmers Mutual Reinsurance and the Illinois Farm Bureau are reported to have a complete record of every such farmer. In addition the sealers of this corn are farm bureau men and they have the first contact with the farmer.

This development has caused considerable indignation on the part of Illinois agents. Whether this sort of competition has cropped out in other states is not known.

Ingenhutt Made President of Minneapolis Local Board

The Minneapolis Underwriters Association at its 48th annual meeting elected A. W. Ingenhutt, A. B. Caswell and R. A. Thompson to the board of

directors for three years. Mr. Ingenhutt was elected president, Mr. Caswell, vice-president and W. J. Kelley, secretary-treasurer.

There were about 125 members present. The organization is one of the oldest and strongest local boards in the United States and has been in continuous operation for more than 50 years. Its headquarters are at 306 Foshay Tower in charge of P. H. Ware, manager.

The principal speaker at the dinner was G. W. Brown, insurance commissioner of Minnesota and president of the Insurance Commissioners Convention.

Stress Value of Organized Effort

APPLETON, WIS., Oct. 17.—Organization work in fire and casualty insurance was the subject of addresses and discussions at the monthly meeting of the Appleton Insurance Board. About 30 agents attended the meeting. Guest speakers were A. J. Petrie and Hugh Crosby of Fond du Lac. Both the Fond du Lac and Appleton Boards have been successful the past year in their organized efforts to secure insurance on public buildings, formerly placed in the state fund.

Kenosha Board Gets Boiler Line

KENOSHA, WIS., Oct. 17.—At the monthly meeting of the local board various phases of fire prevention work were discussed. It was announced that the insurance on boilers in the Kenosha public schools had been awarded the local board and that it would be handled as a board matter, similar to fire and windstorm coverage on city buildings.

Fort Scott Agency Changes Name

The E. G. Atkins Agency of Fort Scott, Kan., is now known as the Atkins Insurance Agency and is owned and operated by G. M. and M. H. Atkins. The late E. G. Atkins, pioneer insurance man since 1905, died Sept. 7. The agency is now operated by his two sons. M. H. Atkins was formerly with R. I. Read, manager of Cum & Forster companies in Chicago.

N. D. Hail Fund Functions

In an article in the Oct. 4 edition containing news of both the North Dakota and South Dakota state hail funds, there was an erroneous statement indicating that the North Dakota hail fund was in process of liquidation. The North Dakota fund is a going institution. The South Dakota fund is being liquidated and considerable difficulty is being encountered in the process.

A. R. Aslakson, manager of the North Dakota fund, points out that since March of this year hail tax collections have been coming in satisfactorily, as a result of the federal refinancing plan.

Percy Sullivan Trial Postponed

The trial of Percy Sullivan which was scheduled to get under way this week in Salem, Ill., has been postponed to the January term because of the illness of his attorney. He is charged with impersonating an employee of the Illinois insurance department in effecting compromise settlements under policies in a mutual benefit association, which he was operating. Years ago Sullivan had a mutual fire insurance company in Decatur and also had the Illinois National Fire at St. Louis. He was in hot water for a time in connection with the operations of these companies.

Finds Indiana Business Better

INDIANAPOLIS, Oct. 17.—"Our business is better than it has been since 1932," said the Indiana state agent of one of the eastern fire companies. "A lot of insurance that has been dropped in the past two or three years is coming back, we find, and property owners

are showing better judgment on the amount they should carry as to value. By this I mean that they are accepting the depreciated value of their property and are taking insurance based on present values, which creates a better condition of business. Indiana cities and towns which have a variety of industries are showing encouraging signs of improvement. The steel cities in the northern part of the state are still depressed because of the lack of activity in their main industry."

Talk on HOLC Operations

CLEVELAND, Oct. 17.—Problems which have confronted local agents in connection with the HOLC are expected to be cleared up at the meeting of the Insurance Board of Cleveland, Oct. 24, when J. F. Connors, assistant manager and counsel here for the HOLC, will talk on "The Operations of the HOLC" with questions and answers.

He will discuss the actual process of handling loans from beginning to end, giving the agent and insurance company such information as will serve them in solving the problem of how far to go in extending credit. A definite statement as to when the HOLC mortgage clause should be attached to contracts is another featured point which has caused considerable confusion.

Deficit on State Hail Writings

State hail insurance for the 1934 season in Nebraska resulted in a deficit on the small amount of business carried, Director Lee Herdman reports. However, all losses will be paid in full, as the fund had a balance of \$21,014 from last year.

Only 57 policies were written this year with premiums of \$6,464, not all of which has been collected. Losses were \$7,711 on 12 policies.

Premiums on the Uptrend

CLEVELAND, Oct. 17.—Cleveland agents are once again reporting an uptrend in premiums after a slump of about 50 percent from 1929 to 1933. The improvement has been noted now for about four months. The increase is reported gradual and steady, indicating a solid foundation.

Michigan License Figure

LANSING, MICH., Oct. 17.—Michigan has approximately 25,000 licensed agents in the fire, casualty and life fields, and approximately 60,000 licenses, according to figures compiled by R. M. Morse, head of the agency licensing division of the Michigan department.

Sept. 15 totals show 11,123 licenses issued to 10,338 life agents, 18,223 casualty to 10,202 agents and 26,086 fire to 9,101 agents.

Marshalltown, Ia., Is Organized

The local agents of Marshalltown, Ia., are now organizing a local board. The executive committee of the Iowa Association of Insurance Agents met in the city last week. Percy Webster, the new member of the executive committee from that city, presented the state officers with 12 new paid-up members.

Oppose Grand Rapids Tax Limit

GRAND RAPIDS, MICH., Oct. 17.—Insurance agents and adjusters here are aiding the effort to defeat a proposal to limit taxes for all purposes to \$15 per \$1,000 property valuation. The proposition is being submitted at the general election Nov. 6. Foes of the proposal in the city say it will seriously

LOYALTY GROUP

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

ORGANIZED 1855

80 YEARS IN BUSINESS

Surplus to Policyholders, Dec. 31, 1933, \$15,719,163.78

(Securities at Market Value)

Organized 1853

THE GIRARD
FIRE & MARINE INSURANCE CO.
Surplus to Policyholders Dec. 31, 1933

\$2,380,826.52

Securities at Market Value

82 YEARS IN BUSINESS

Organized 1854

THE MECHANICS
INSURANCE COMPANY OF
PHILADELPHIA
Surplus to Policyholders Dec. 31, 1933

\$2,181,651.19

Securities at Market Value

81 YEARS IN BUSINESS

Organized 1866

NATIONAL-BEN FRANKLIN
FIRE INSURANCE CO. OF
PITTSBURGH, PA.
Surplus to Policyholders Dec. 31, 1933

\$2,254,726.35

Securities at Market Value

69 YEARS IN BUSINESS

Organized 1874

THE METROPOLITAN
CASUALTY INSURANCE CO.
OF NEW YORK
Surplus to Policyholders Dec. 31, 1933

\$2,216,188.12

Bonds Amortized—Stocks Market Value

61 YEARS IN BUSINESS

AVERAGE AGE

LOYALTY GROUP COMPANIES

OVER 66 YEARS

GROUP LOSSES PAID

OVER

FOUR HUNDRED MILLION

\$413,592,692.72

A LOSS PAYING RECORD

PROVING SECURITY
AND STABILITY

OUR BUSINESS ASSETS

MERIT CONFIDENCE

THESE ARE

AGE - EXPERIENCE - GOOD FAITH

SUCCESS - PERFORMANCE

SOUND INSURANCE PRINCIPLES

Organized 1852

MILWAUKEE MECHANICS'
INSURANCE COMPANY
Surplus to Policyholders Dec. 31, 1933

\$5,021,440.67

Securities at Market Value

83 YEARS IN BUSINESS

Organized 1871

SUPERIOR
FIRE INSURANCE COMPANY
Surplus to Policyholders Dec. 31, 1933

\$1,780,616.49

Securities at Market Value

64 YEARS IN BUSINESS

Organized 1870

THE CONCORDIA
FIRE INSURANCE COMPANY
OF MILWAUKEE
Surplus to Policyholders Dec. 31, 1933

\$2,411,805.55

Securities at Market Value

65 YEARS IN BUSINESS

Organized 1909

COMMERCIAL
CASUALTY INSURANCE CO.
Surplus to Policyholders Dec. 31, 1933

\$2,015,905.60

Bonds Amortized—Stocks Market Value

26 YEARS IN BUSINESS

WESTERN DEPARTMENT
844 Rush Street
Chicago, Illinois

CANADIAN DEPARTMENT
461 Bay Street
Toronto, Canada

EASTERN DEPARTMENT

10 Park Place
NEWARK, NEW JERSEY

PACIFIC DEPARTMENT
220 Bush Street
San Francisco, Cal.

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impair effectiveness of the fire and police departments, thus undoubtedly increasing the fire loss and accident rates.

Dodge County Agents Elect

At the monthly meeting of the Dodge County Insurance Agents Association at Hustisford, Wis., new officers were elected: C. J. Keller, Beaver Dam, president; George Stoddard, Waupun, vice-president, and George Wegwert, Woodland, secretary. Two new directors, A. C. Gibbs of Columbus and Otto Ruedebusch of Brownsville, were also elected.

It was decided that the new compre-

hensive automobile policy be the topic of discussion at the November meeting, when an insurance company representative will be present to lead the discussion.

Cats Meow Plans Initiation

The St. Louis court of Cats Meow held its first fall meeting Oct. 17. Plans for the initiation the night of Nov. 3 were considered. Election of officers will be held in December.

Austin McElroy of the McElroy Insurance Agency, Columbus, O., has been chosen to direct the community fund drive in Columbus.

IN THE SOUTHERN STATES**Reelect Pons in Louisiana**

Unprofitable Experience on Many Classes Reported at Rating Bureau's Annual Meeting

NEW ORLEANS, Oct. 17.—R. M. Pons was reelected president of the Louisiana Rating & Fire Prevention Bureau and E. J. Sullivan was reelected vice-president at the annual meeting. H. A. Steckler, J. X. Wegmann, R. H. Colcock, Jr., Douglas Watson and H. B. Edwards were reelected directors for three years.

Mr. Pons stated in his annual report that, while the fire companies made a profit for 1933, the classes of risks "which have contributed so largely to the operating loss of the past 10 years continue to show an unprofitable experience.

Dwelling Class Important

"The loss ratio on frame protected dwellings in 1933," he said, "was 67.03 percent and on unprotected dwellings of all classes, exclusive of farm property, 133.01 percent. In 1933 the dwelling class produced 32.3 percent of the entire premium income. It is without doubt the most important in Louisiana and one of the most unprofitable."

The ratio of all fire losses in the state to the entire premium income for the past 10 years was as follows: 1924, 77.58 percent; 1925, 75.12; 1926, 79.32; 1927, 60.82; 1928, 66.09; 1929, 50.99; 1930, 70.1; 1931, 68.74; 1932, 82.33, and 1933, 47.06 percent.

R. P. Strong, general manager, in referring to the relations of the bureau and the Louisiana insurance commission, said that "among the three pending references is the 1934 automobile manual, which is most urgently needed, not only by the companies but by the agents, the automobile business and the automobile owners. We are still working under the obsolete 1931 manual."

McClain Oklahoma General Agent of Millers National

The Millers National has started to operate in Oklahoma on an agency basis and W. H. McClain of Oklahoma City has been appointed general agent. The company has been entered in the state for some time, but has not previously maintained an agency plant there.

Dallas Losses at Record Low

DALLAS, Oct. 17.—Dallas fire losses in September were \$52,784. The total for nine months is \$267,377 below the same period a year ago. The 1934 loss is expected to be about \$500,000, lowest in two decades and approximately \$350,000 below the 1933 figure.

Dallas fire losses, until last year, ran around \$1,200,000 annually. Combined efforts of the district attorney's office with its arson squad, the Dallas Insurance Exchange and fire prevention organizations cut the losses below \$850,000 last year, a new low record for what had been known as a "hot city."

Formulating Commission Plan

Southern Agents Reported to Be Shaping Demand for Contingent Fee Over 20 Percent Flat

NEW YORK, Oct. 17.—While local agents throughout the south are reported to be formulating a concerted demand for payment of contingent commissions over and beyond the flat 20 percent now paid them, home offices have heard nothing definite on the matter so far. The suggestion, if offered, is not likely to gain favorable consideration at headquarter centers, as the expense account of the average company is already sufficiently high. In the early days the commission allowed throughout the entire jurisdiction of the Southeastern Underwriters Association was flat 15 percent. Some years ago the figure was advanced five points, 20 percent now ruling in all states except Oklahoma, where the graded scale obtains.

As with other sections of the country, the fire loss record in the south this year has been very satisfactory, indicating a distinct improvement in moral hazard. Planters in the tobacco growing regions are receiving better prices for crops than for a number of years, and to a degree this holds with other crops. Because of the great inflow of money into the territory in recent months, there has been an increase in premium income, which while varying as between companies is estimated to be at least 5 percent over the 1933 returns, for the business as a whole.

Lilly on Southern Trip

G. W. Lilly, manager Fire Companies Adjustment Bureau, is in the southwest, planning to visit branch offices of the organization in Dallas, New Orleans, Jackson, Mississippi, and several other centers. He recently returned from a trip to the west coast, in the course of which he stopped at St. Paul, Denver, San Francisco and Los Angeles. To conserve time Mr. Lilly travels via airplane, occasionally taking air sleepers.

Non-Affiliated Companies

Inquiry has been made of THE NATIONAL UNDERWRITER as to the companies operating in Florida, which do not belong to the Southeastern Underwriters Association. Such companies are the American Druggists, Bankers Fire of North Carolina, Buffalo, Federal of New Jersey, General of Seattle, Merchants of New York, Millers National, Monarch, Northern of New York, Northwestern National, Pearl and Standard of New York.

Recodifying Arkansas Laws

LITTLE ROCK, Oct. 17.—Arkansas citizens are being fleeced of many thousands of dollars by crooked insurance carriers, which, because of the lack of a proper state law, can not be brought into court by the state, Commissioner Gentry told the Little Rock Real Estate Board. He referred especially to so-called Lloyds, not regulated by the

Arkansas laws, which cover only stock, mutual and reciprocal organizations.

Mr. Gentry and other members of a committee appointed by Governor Futrell are working on legislation for recodifying state insurance laws, he said, to make sure that all companies operating in Arkansas are bonded and are forced to pay just claims against them.

Big Dallas Lumber Loss

A loss estimated at from \$150,000 to \$175,000 was caused by fire which destroyed the plant of the George W. Owens Lumber Company in Dallas. It was the second heavy lumber company loss there in little more than a year. Two firemen were injured in fighting the blaze, one being buried under a pile of lumber and not rescued until after the fire was extinguished.

Clairborne Heads Exchange

RICHMOND, Oct. 17.—W. B. Clairborne of Clairborne & Goddin was elected president of the Insurance Exchange of Richmond at the annual meeting, succeeding E. H. Sutton of Gibson, Moore & Sutton. H. B. Race, a former president of the exchange, was elected vice-president. A. L. Richardson succeeds himself as secretary-treasurer.

New directors are E. H. Sutton, W. G. Harvie, W. T. Johnson and F. W. Clintzman.

All Classes of Carriers Affected

Commissioner Knott of Florida advises that his action in adopting the revised marine definition proposed by the National Convention of Insurance Commissioners affects not only stock companies but mutuals, Lloyds and reciprocals. Agents are urged to report all violations.

Asks "Separation" on Adjusters

W. P. Fischer of West Palm Beach, former Florida president, says that in some cases companies are using adjusters in Florida who work for mutuals and reciprocals as well as stock companies in the same field, in spite of an agreement to refrain from this course. He is asking agents to bring the offense to the attention of their companies, with the hope that a stop can be put to it.

Charge for Connections Reduced

The National Fire Protection Association reports that a committee of property owners in Charlotte, N. C., cooperating with N. F. P. A. engineers, have been

successful in securing from the city a reduction of 50 percent in the minimum charge for connections to automatic sprinkler systems. The committee hopes eventually to get the charge completely eliminated.

To Meet on Recodification

The Virginia state insurance commission which was created by the Virginia legislature in 1932 to revise, simplify and codify the insurance laws of the state, is to hold a meeting in Richmond, Oct. 25-26.

Southern Notes

Ashby Hill, secretary of the Southern Fire, was in San Antonio and Houston the past week.

The Caperton Insurance Agency, Hopewell, Va., has been incorporated with A. T. Caperton, president; Harold Levy, vice-president; Bernard Levy, secretary.

The Standard Insurance Agency, Smithfield, Va., has been incorporated with H. W. Gwaltney, president; A. E. S. Stephens, vice-president; J. T. Robbins, secretary.

The A. L. Miller agency, Morehead, Ky., has been purchased by V. H. Wolford, Ashland, Ky., who for a number of years represented the farm department of the Home in that section. Mr. Miller died in September.

Eastern States Activities

Rigid Countersigning Rules

West Virginia Department Lays Down Strict Requirements on the Handling of Brokerage Business

New countersignature regulations of a most rigid nature have been put into effect in West Virginia by the insurance department. Every policy covering risks within West Virginia must be put through the office of resident licensed agents and a systematic accounting arrangement must be set up to keep a record of all policies countersigned by such resident agents.

Severe penalties may be invoked against companies, agents or non-resident brokers, operating in conflict with the requirement that agents keep a comprehensive record of countersigned policies, including brokered business, and receive commission on such policies. West Virginia agents are required by

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(Continued next page)

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statute to pay non-resident brokers not more than 10 percent of the premium on any fire policy brokered in West Virginia.

Countersignature of policies by special agents and other salaried employees who do not receive commission, is considered an evasive practice and is prohibited.

The issuance of policies covering risks in West Virginia can only be transacted by agents or non-resident brokers who hold West Virginia licenses. Companies accepting business from brokers or agents who do not hold West Virginia licenses, will be subject to revocation of license.

For the purpose of determining the amount of premium taxes due West Virginia by a foreign company and for the purpose of enforcement of these rulings, the West Virginia department advises resident agents and non-resident brokers holding West Virginia licenses, that they must report to the West Virginia department before March 1 of each year, on a form furnished by the department, the totals of all premiums on policies countersigned or placed by such licensees covering risks in West Virginia.

This report shall cover the preceding calendar year's business and the filing of the report will be a condition precedent to the issuance of a renewal license. The form will be ready for distribution about Dec. 20, the insurance department advises.

Rose Now Placed in Charge

Buffalo Agent Becomes Manager of the State Association Service, Premium Financing Enterprise

At a meeting of the executive committee of the New York State Association Service, held in Rochester, Jay W. Rose of Buffalo was elected secretary-



JAY W. ROSE

treasurer and general manager, an office left vacant by the recent death of Charles F. Miller, who had filled this position since the formation of the enterprise six years ago. Mr. Rose is eminently qualified for the position, being a past president of the New York State Association of Local Agents, present secretary-treasurer of the same organization, and a former member of the executive committee of the National Association of Insurance Agents. The affairs of the State Association Service, which is engaged in the financing of insurance premiums, were reported to be in a healthy condition. Mr. Rose will devote much of his time in the field, building up the organization and extending its activities.

Home Town Honors Cole

E. J. Cole, who was recently elected president of the National Association of Insurance Agents, was honored at a

testimonial dinner given by his home town associates, the Fall River Board of Underwriters of Fall River, Mass. Among the guests was W. H. Bennett, secretary National Association of Insurance Agents.

Offer Blanket Plan in Buffalo

BUFFALO, N. Y., Oct. 17.—A plan for one blanket fire policy to cover city property worth \$42,300,000 has been submitted to the city council by the Buffalo Association of Fire Underwriters. Allotments would be made to all agencies in the city in the event of acceptance of plan, in proportion to annual writings.

Carr Atlantic Mutual Manager

BOSTON, Oct. 17.—Roy E. Carr, graduate of the United States Naval Academy, five years in the navy, and for some time inland marine underwriter with Appleton & Cox in New York City, has been appointed manager of the Boston branch office of the Atlantic Mutual to succeed J. H. Darrah, who will go into the field for the company in New England.

F. J. Bock, former president of the Ajax Fire of Newark, has opened a local agency at 760 Broad street, Newark.

News of Pacific Coast States

Forest Fire Cover Feasible

Experiment Stations Claim Insurance Can Be Written at a 45 Cents Per \$100 Rate

Forest fire insurance in Pacific Coast territory offers favorable possibilities, according to results of a study conducted by the Pacific Northwest Forest Experiment Station and the California Forest & Range Experiment Station in charge of H. B. Shepard. The inquiry, which included a detailed study of forest fires and losses for the last 20 years, concludes that as far as the extent and character of losses are concerned there is no reason why forest fire insurance can not function successfully in that territory. A tentative rate of 45 cents per \$100 is suggested. No administrative or technical obstacles that appear insurmountable have been found. It is also held that since possibly two-thirds of all merchantable timber in the country is in this territory and because it extends over a wide range, it can support an insurance organization in itself.

Cites Loss Records

As an example of the favorable aspects of the loss situation, the report cites the .047 percent loss ratio in the Douglas fir region from ordinary fires, all of forest types and tree size classes included. In the northern ponderosa pine region the loss rate was .119 percent and in the sugar pine regions .113 percent. These two latter regions have not suffered from major conflagrations to which the fir regions are still subject at periodic intervals. The normal conflagration interval has not been less than approximately 30 years. Nevertheless, the damage in these last two districts on an annual basis has been considerably in excess of that caused by the ordinary run of fires.

The proposal made by the study for initial experimental introduction of insurance cover is an aggregate average premium rate of 45 cents on a 100 percent coinsurance basis. The loss figures indicate the possibility of a 25 cent level, approximately, if all or nearly all of the property in the territory can be written. Selective underwriting can counter the moderate increase in losses under insurance conditions that might accrue from moral hazard. It is not believed that moral hazard would be encountered to a highly serious extent among timber

owners. It is of course intended that this contingency, along with others, would be provided for in the 20 cent factor of safety suggested.

The report contains suggestions for three schedules of specific rates, one for each of the three major regions studied. A careful inquiry was also made into all ascertainable factors of valuation and appraisal, loss adjustment and policy contract requirements, and other of the characteristics peculiar to the insurance business.

Explosion Claims Resisted

CHEYENNE, WYO., Oct. 17.—Several suits are threatened as a result of refusal by a majority of companies to settle explosion claims made under fire policies in connection with the explosion June 27, which wrecked several blocks of Cheyenne's business district.

Losses claimed total about \$45,000, 90 percent of which, the companies say, was entirely due to explosion. Some policyholders are trying to collect on the contention that fire preceded the explosion. Others base claims on excessive smoke damage. Only two or three claims, as far as can be learned, have been settled. These were in cases where the damage was plainly due to fire. Otherwise, companies are standing solidly together in resisting the claims.

Utah Adjusters Elect

SALT LAKE CITY, Oct. 17.—At the annual meeting of the Utah Claim Adjusters Association all officers were re-elected. They are: William Rossiter, president; A. G. Texley, vice-president, and C. S. Harmon, secretary-treasurer, all of Salt Lake City.

Kelsey Visits on Coast

J. A. Kelsey, general agent of the fire branch of the Tokio and president of the Standard of New York, is on the Pacific Coast visiting Balfour, Guthrie & Co. of San Francisco, coast representatives of the affiliated companies.

Pays Big School Loss

SAN FRANCISCO, Oct. 17.—The Fireman's Fund has paid the city \$180,348, covering the recent loss on the girls' high school. The company carried \$426,500 on the building and \$28,000 on contents. At the time of the fire, the school was being "earthquake-proofed" in accordance with the action taken by the last session of the legislature.

Insurance Accountants Meet

SAN FRANCISCO, Oct. 17.—G. W. Philpott, chief accountant of the National Automobile Underwriters Association and National Automobile Theft Bureau, speaking before the Insurance Accountants Association of San Francisco, discussed the operations of the checking bureau of his organizations. The association voted to cooperate with the reemployment committee of Insurance Post 404 of the American Legion.

Auto Adjusters' New Officers

SAN FRANCISCO, Oct. 17.—The annual banquet of the Automobile General Adjusters Association will be held Oct. 19, when the following officers, elected last week, will be formally installed: A. E. Rucker, Continental, president; Al Welsh, Travelers, vice-president, and Frank Ingersoll, National Automobile Theft Bureau, secretary.

Long Beach Outing Nov. 9

The Long Beach (Cal.) Association of Insurance Agents will hold its annual golf tournament Nov. 9. A large attendance is expected on account of the annual football game in Los Angeles between the University of Southern California the following day.

Address Marine Study Class

SAN FRANCISCO, Oct. 17.—Carroll Single, attorney, addressed the study class of the San Francisco Association

Joint Manager of the New Pacific Department



GEORGE V. LAWRY

The newly established Pacific Coast department of the Travelers Fire will be in charge of that company's operations in the territory of the Pacific Board and British Columbia. The department is under the joint management of George V. Lawry and Carl N. Homer. Blake Darling becomes assistant manager.

Mr. Lawry heretofore has been superintendent of the fire underwriting department in the San Francisco branch office of the Travelers Fire. He is a past president of the Fire Underwriters Association of the Pacific, having been elected in 1930. He joined the Pacific Board in 1905 as surveyor and served in Vancouver and Victoria, B. C., with the supervisory organizations and then went to Salt Lake City as district secretary of the Pacific Board in 1910. Ten years later he joined the Hartford Fire as special agent and later as assistant general agent at San Francisco. In 1927 he joined the Travelers Fire at San Francisco.

of Marine Underwriters on the relative merits of branch office and general agency methods of operation.

Edward Hough of Hough & Egbert spoke on prevention of fire at seas, being particularly significant in view of the recent disastrous "Morro Castle" fire.

C. H. Cole Opens Office

C. H. Cole, widely known in the Pacific northwest, has opened the Cole Inspection Bureau at 414 Vance building, Seattle.

Mr. Cole spent some nine years with the Springfield Fire & Marine in Chicago and many years with the Millers National. He was Pacific coast manager for the latter company several years in Seattle.

Pacific Coast Notes

L. H. Buescher has been named president of the Spokane Underwriters Association.

A reduction of 42.9 percent in Oregon fire losses on a paid basis is shown in the semi-annual report of state fire marshal.

C. W. Walls has resigned as agency supervisor in Oregon for the General of Seattle to become manager of the Deposit Insurance Agency in Portland, succeeding C. F. Millman, who has gone with the Pearl Assurance.

Suburban Auto's Figures

As of Oct. 1, the Suburban Auto of Lombard, Ill., shows capital \$200,000, assets \$370,293, premium reserve \$58,274, loss reserve \$12,421, contingency reserve \$41,097, net surplus \$58,500.

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ASSETS

Stocks and Bonds.....	\$2,420,391.78
Cash in Banks.....	168,117.70
Agents' Balances Outstanding.....	232,417.92
Accrued Interest and other Assets.....	44,902.49

\$2,865,829.89

LIABILITIES

Reserve for Unearned Premiums.....	\$ 831,638.17
Losses in Course of Adjustment.....	108,357.00
Reserve for Taxes, Expenses, and all other Liabilities	161,006.00
Reserve for Contingencies.....	58,399.00
Capital Stock	\$1,000,000.00
Net Surplus beyond all Liabilities..	706,429.72

Surplus to Policy Holders\$1,706,429.72

\$2,865,829.89

NOTE: Contingency Reserve fully adjusts as follows—Bonds eligible are amortized, otherwise valued at actual Market. All Stocks are carried at actual Market Value.

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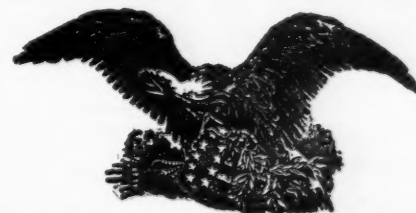
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Interest Taken in Rating Issue

(CONTINUED FROM PAGE 3)

cure all necessary information from which a conclusion can be drawn. There is no objection to "Best's Insurance Reports" other than the designated rating. Company officials say that so far as persons or concerns are concerned that are not regulated by the state or federal government and do not have to report to a state or federal bureau, and whose financial statements are not available in any public office, there is a call for some credit institution like Dun & Bradstreet for rating.

Policyholders Been Disturbed

In order to overcome the Best ratings, other self appointed raters have entered the field. Many of these ratings are regarded as ludicrous. In some cases ratings have been made that are undoubtedly purely arbitrary and almost vicious. The result has been that policyholders of very excellent companies have been disturbed by these ratings. It is felt that one company may be rated in three different divisions by three different raters.

Regardless of what is done, it was predicted at the American Life Convention meeting that legislation will be proposed in a number of states which will prohibit rating. The point is made that such legislation will be constitutional because the states require companies be licensed and their annual statements be filed. Insurance departments can make examinations and call for all sorts of information not found in the annual report. Other legislation may be proposed whereby the rating formula must be approved by a state insurance department before an independent organization can use it. In other words, it is the purpose of some states to outlaw all independent raters because their reports are causing confusion. Company officials declare that other raters are just ready to hop into the field and carry on a more extensive program than ever. The danger consists largely in the imitators of Mr. Best. It is found that companies to which he gives an "A" rating have been placed in the "poor" class by other raters. Altogether the rating system is being used for mercenary ends.

Should Sell No Other Service

Officials agree that Mr. Best's organization has attempted to deal with the subject in as accurate a way as possible. Some of the company men take the position that no credit organization should have any other affiliation with insurance than selling credit reports. They declare that notwithstanding the mightiest effort to be fair on all sides, it is very difficult not to be swayed when advertising is accepted or when a credit agency is employed as a consultant or specialist. However, there has been no great objection filed to Best's reports per se outside of the rating designation.

The A. M. Best Company finds that about 99 percent of its subscribers replying to the questionnaire on company ratings, desire that the ratings be continued.

Howard Wood, financial editor Chicago "Tribune," in commenting on insurance rating, says:

"The perennial row between the insurance companies and the rating agencies has come out into the open with the announcement that a special committee of the American Life Convention, representing 127 life insurance companies, has met with Alfred M. Best Company, publishers of 'Best's Insurance Reports,' for the purpose of 'determining the best means to be employed in giving the public complete, accurate and understandable information as to the condition, affairs and practices of life insurance companies.'"

"Rating has always been a sore spot with life companies. The rating consists

of an A, B, C, D or E placed at the end of a report on an insurance company. An 'A' means that the rater considers the company's condition excellent; an 'E' means that he believes it to be hopeless.

"This practice arose from the fact that the reports on insurance companies were so complicated that after the reporting agency got through analyzing the company's finances, the reader was so befuddled that he had to be given a symbol of some kind to show him the standing of the company according to the rating agency's conclusions.

"Such ratings have been unjust in two ways. In cases where companies have been in really bad condition the rating agencies have not indicated the truth in their ratings; and in other cases where companies may have had a chance to work out of a tight situation a low rating has made it difficult for them to do business.

Some Raters Are Racketeers

"Some rating agencies, like Best's, have tried to make their ratings a fair reflection of the facts as they found them. Other agencies have been recognized as racketeers; but insurance companies lacking courage to fight the chisellers have patronized them with advertising in order to 'encourage' them to give good ratings.

"One bad feature has been that rating agencies have something to sell to the life companies that they rate—either advertising in their trade magazines or some kind of service. This puts the rating agency in the position of holding a club over the company to which it seeks to sell something.

Commends Palmer's Reports

"The question will probably not be solved until these agencies which analyze life companies abandon the practice of rating and start turning out understandable reports, permitting the reader to arrive at his own conclusions on the basis of the facts as presented. This is not a difficult job. The reports turned out by Superintendent of Insurance Ernest Palmer, for example, are factual and informative."

More Protests Are Filed Against the CCC Policy

(CONTINUED FROM PAGE 3)

for the purpose of permitting the McFadden interests to use the non-admitted companies. R. L. Daniel, insurance commissioner of Texas, states that the Transportation Mutual did not make application for a license this year. Seemingly it is only licensed in Pennsylvania.

May Rehabilitate Ohio Mutual

The case of the Montgomery County Mutual Fire was called up in the court of appeals at Columbus, O., a few days ago and, with the consent of the Ohio department, a continuance was granted to enable the company to work out a plan for rehabilitation.

After being out of the business for 10 years, Peter Blomquist and Bergen Erickson have reestablished the old Blomquist & Erickson agency at 1010 Payne avenue, St. Paul. They have become members of the Insurance Exchange of St. Paul, in which they were formerly active.

FRANK J. BUCHER, President

WM. F. KRAMER, Secretary

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An independent Ohio Company with a record of more than 68 years of honorable dealing with Agents and Assureds



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NORTHWESTERN Fire & Marine Insurance Company

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MINNEAPOLIS, MINNESOTA

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V. P. Secy.

L. G. Goodrich
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INSURANCE EXCLUSIVELY

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Reduce Insurance Rates

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The National Underwriter Company is publishing a 150-page book called the **Proved Premium Producer** for accident and health insurance men. It contains selling talks, sales letters, helps in getting under way and meeting objections. Order on approval today. Price \$3. Write this magazine.

Kansas Agents Hold Annual Meeting

Thomas Expounds Separation Creed

W. U. A. Manager Explains Why Organization Companies Insist on Clearance

PERTINENT IN KANSAS

Observations Were Timely Because of Present Campaign in State Directed Against Mutual Companies

Charles F. Thomas, manager of the Western Underwriters Association, in addressing the annual meeting of the Kansas Association of Insurance Agents in Wichita, developed the philosophy of fire insurance organization activity and concluded with an explanation of why organization companies insist upon separation.

The subject matter was pertinent, because the Kansas field men are now engaged in a campaign directed particularly at the clearance of agencies in Kansas so far as the mutual companies are concerned. Mr. Thomas, in former days, traveled in Kansas and he is always warmly welcomed in that state.

Has No Quarrel with Other Company Classes

After reciting some of the facts about the Western Underwriters Association, its principles and practices, Mr. Thomas said:

"The members of the Western Underwriters Association wherever they may do so without offense to state laws advocate and support organization activities, because they believe it is today and in the long run to the best interest of the companies they represent.

"We know there are competent managers of sound companies who hold an altogether different judgment and, likewise, there are able underwriters who sincerely believe that mutual insurance in theory and practice offers the best in method and indemnity. Each of the three has equal right to his opinion

(CONTINUED ON PAGE 31)

Kansas Convention Briefs

Attendance at the convention was estimated at 400, the second largest convention in the history of the state association and the largest attendance since 1930 when the first three-day convention was attempted at Wichita.

There was an unusually large number of company executives present, many managers taking the opportunity to visit their field men and agents. Several companies maintained headquarters which were popular places to assemble. Special attractions at some of these included a visit of the Dean brothers, famous St. Louis baseball pitchers at the Hartford headquarters, where they also had a donkey from a donkey baseball tournament that was on in Wichita during the week. The Home, Preferred Risk, Central States, America Fore and others had popular headquarters.

Wade Patton, who was reelected secretary of the Kansas Association of Insurance Agents at the annual meeting in Wichita, has served in that position continuously since 1928. Before the war, Mr. Patton got a taste of insurance work as an office boy. After the war he reentered the business and traveled for three years before locating in the local agency business at Hutchinson, Kan. He was connected with the Carey Real Estate & Investment Co. as manager for several years. Last year he purchased the interests of that concern and now owns and operates the Wade Patton Investment Corporation, under the name of Wade Patton Company, Insurance. In 1931-32 he served on the fire conference committee of the National Association of Insurance Agents.

Mr. Patton is production-minded. He has made a record in life insurance and accident and health as well as in fire and general casualty lines. Some time ago he decided to test out the opportunities for the local agent in the life insurance business and he devoted 18 months to the production end of agency building in life insurance. He made a connection with the Columbus Mutual Life and during 1931 paid for approximately \$350,000 life insurance personally and qualified for the all-star convention issue of the "Insurance Salesman." During the recent Friday, the 13th, Hoodoo Day drive, suggested by the "Accident & Health Review," there were seven men in the agency, including Mr.

Patton himself, who produced 13 accident and health insurance applications in one day.

As evidence of the healthy financial condition of the Kansas association, a check for the 1934-35 National association allocation, including the special allocation for the Washington service office, was handed Frank T. Priest, national councillor, at the organization meeting of the executive committee. The check totaled \$2,282. Secretary Wade Patton reported an increase of over \$1,000 in surplus and 45 new members.

The executive committee met the afternoon and evening preceding the formal opening of the convention. A smoker and entertainment was also held the evening before for the early registrants.

Executive committeemen and officers of the 17 local boards of the state were guests of the Wichita Insurers at dinner.

President-elect John V. Kelly has been a local agent at Leavenworth since 1895, when he went with the firm which had been organized by his father, W. D. Kelly, in 1860. The agency was changed to Graham & Kelly in 1905, when Major Graham, who had been in business since 1870, joined forces with Kelly's and continued till his death in 1929, when the third generation of Kellys, Eugene D., purchased Mr. Graham's interest and the partnership between father and son, John V. and Eugene D., was organized and the firm name changed to the Kelly Agency.

Don Ellis, Kansas City, new vice-president and chairman of the executive committee, has been associated with the Merriam, Ellis & Benton agency since 1924. His father, F. S. Ellis, and A. S. Benton are the senior partners in the firm, which was organized 38 years ago.

The Kansas City delegation appeared in large cowboy headgear advertising the American Royal Live Stock show, which starts next week.

The fire conference committee appointed by President Kelly is headed by Frank T. Priest, with Bert Mitchener, Hutchinson, and Gene Glahn, Lawrence, as members.

Rosse Case, Marion, authority on farm fire prevention, called a meeting of farm writing agents to discuss a plan for a state wide farm fire prevention campaign in the rural schools, which would carry substantial cash prizes and a cup to the district producing the best record.

Kelly Is Elected Association Head

State to Be Divided Into Six Districts with Complete Organizations

CONVENTION AT WICHITA

Endorse National Association Program —To Check Development of Production Branch Offices

NEW OFFICERS ELECTED

President—John V. Kelly, Leavenworth.
Vice-President—Don Ellis, Kansas City, Kan.
Secretary-Treasurer—Wade Patton, Hutchinson.
National Councillor—Duane T. Stover, Wichita.
New Executive Committeemen—G. T. Fisher, Salina; J. E. Stowell, Kinsley.

John V. Kelly of Leavenworth was elected president of the Kansas Association of Insurance Agents at its annual meeting at Wichita. The working program of the National association as adopted in Grand Rapids was endorsed and the state association officers were instructed to check the development of production branch offices.

New Plan Adopted for District Organization

The plan suggested by Secretary Wade Patton, dividing the state into six districts with an active committeeman in charge of each was adopted by the executive committee. Each district will have a secretary-treasurer and regular committees. Each division will have charge of the supervision of membership campaigns, collections of dues, legislative matters within its area. Annual district meetings will be held. It was felt that a larger number of members can be secured for the state organization through the divisional organizations. Local public relation matters can be better handled through the district. Inter-district membership contests will help accelerate the growth of the organization. Further details will



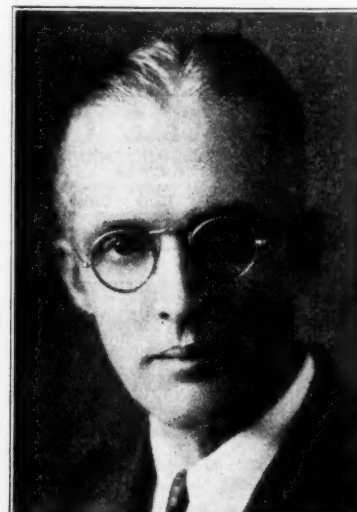
JOHN V. KELLY, Leavenworth
President



DUANE T. STOVER, Wichita
National Councillor



DON ELLIS, Kansas City, Kan.
Vice-President



WADE PATTON, Hutchinson
Secretary

be worked out at the November meeting of the executive committee.

Rosse Case of Marion, Kan., who always has some serious ideas about the farm business, in addressing the Kansas agents, said the Farm Underwriters Association is not responsive to suggestions for changes in farm policy provisions and practices. If the farm business should again become profitable and should be sought by the companies, the chances are that the agents may be able to exert some influence on the coverage provided and the rules. Mr. Case recalled that he attended the meeting of the Farm Association in Chicago last summer to present suggestions for changes in coverage and rules. However, the Farm Association at that time was engrossed in preparing a uniform farm policy and he said that he did not get much of an audience for his proposal.

Mr. Case's criticism was not directed entirely at the companies. He said the agents are to blame in a large degree for writing farm business in a haphazard manner. Underwriting by the agent must be done intelligently and conscientiously. Unless the agent produces a profit for his company, the agent is going out of the farm business. All of the farm writing companies know which are the unprofitable agencies and if an agent loses his company connection it is difficult for him to get another.

During the year, he recalled, the farm committee prepared a table for distribution to members, showing business and financial condition and classification of assets of the Kansas mutual companies.

Mr. Case, in a motion on the floor of the convention was instructed to have the farm policy amended and brought up to date to meet present conditions in cooperation with Commissioner Hobbs.

J. K. Boyce Represents National Association

The National Association of Insurance Agents was represented at the Kansas convention by John K. Boyce of Amarillo, Tex., past president of the Texas Association of Insurance Agents. In his address, he reviewed the various important issues that were considered at the convention of the National Association of Insurance Agents at Grand Rapids. He paid his respects to the Commodity Credit Corporation because of its recent action in permitting warehousemen to buy insurance on cotton, encumbered with CCC loans, from unadmitted companies.

"For the government to advocate the buying of illegal or bootleg insurance is so ridiculous," he said, "I don't believe we need to worry about the outcome."

J. B. Patterson, Wichita attorney-adjuster, discussed casualty adjusting. William Quaid, vice-president of the Home of New York, complimented the agents on their spirited convention. He said that no business stands on a higher plane of confidence than insurance does and he urged the agents to work together to achieve even greater results.

The relation of the Kansas agents to the Kansas safety council was discussed by Jess Greenleaf, chairman of the recently organized Kansas safety council. He told of the action taken to reduce the accident toll in the state.

Commissioner C. F. Hobbs of Kansas discussed agents' qualification, brokers' license laws, workmen's compensation and filing of rate deviations from the bureau rate.

Reed Says Agents and Field Men Have Same Problem

J. A. Reed, Aetna Fire state agent, brought greetings from the Kansas Fire Underwriters Association of which he is president. The agent's problems are the field man's, said Mr. Reed in calling attention to the field man's conference committee, which is ready and willing to cooperate with agents at all times. C. F. Thomas, manager of the Western Underwriters Association, Chicago, talked.

W. M. Jardine, president of the Wichita university and former United States Secretary of Agriculture, stressed the necessity of good business ethics and

the value of good sportsmanship. He said that times have changed from when the insurance solicitors used to run down their competitors and their companies in getting business and the sale is now based on the service offered and the strength of the agent's own companies.

At the speechless banquet Frank T. Priest presided and introduced the dignitaries at the speakers' table, the rest of the evening being devoted to entertainment. President Stover and Secretary Patton were presented with handsome gifts.

H. B. McKibbin, president of the Wichita board of education, who for many years has been connected with a

large milling company, spoke on "What the Insurance Buyer Expects of the Local Agent."

Ed Nellis, president of the Topeka board, invited the convention to meet at Topeka in 1935.

Memorial services were held in honor of James L. Case and Percy H. Goodwin, past presidents of the National association, who died during the past year. Both Mr. Case and Mr. Goodwin had visited the Kansas association.

At the executive committee meeting it was decided to appoint a casualty conference committee if needs required. It was also decided to furnish membership certificates to hang on the agent's

office wall, the design being changed each year.

President Kelly and Vice-President Ellis were elected at the general meeting and at the executive committee gathering Wade Patton was reelected secretary-treasurer for his seventh term. Frank T. Priest resigned as national councillor because of the press of his duties as a member of the National association's executive committee. Retiring President Stover was elected to succeed Mr. Priest.

There was a gain of 45 in membership during the past year and the association's surplus was increased \$1,028.

A special breakfast conference which



PROGRESSIVE AGENTS *appreciate* PROGRESSIVE COMPANIES

The Western Insurance Companies Increased
Their Premiums \$452,886 in Seven Months

PROOF that Agents appreciate the dependable and friendly service of The Western Insurance Companies is found in the record of steady progress in premium volume. With the increase in volume, greatest care has been exercised in the selection of risks as evidenced by an improvement in the loss ratio.

The record for the first seven months of 1934, compared with the corresponding months of 1933, is a record of success in production and of good underwriting.

YEAR	PREMIUMS WRITTEN	LOSSES PAID	LOSS RATIO
1934	\$1,952,374	\$1,037,306	53.1
1933	1,499,488	917,774	61.2
GAIN	\$ 452,886	\$ 119,532	

Complete facilities for writing fire, tornado, automobile and casualty insurance, and fidelity and surety bonds.

THE WESTERN CASUALTY AND SURETY COMPANY
THE WESTERN FIRE INSURANCE COMPANY

HOME OFFICE - FORT SCOTT, KANSAS

was not on the regular program proved popular. President Stover led an interesting discussion on such subjects as cut rates, recovery of lost business, organization of local boards, collections and office records, legislation and compensation insurance.

Fire prevention activities were promi-

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Frank T. Priest
Elmer C. Beezley
Chas. J. Slawson
H. N. Fullington

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CORPORATION**
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nent, A. N. Booth, assistant secretary of the Wichita chamber of commerce, who gave the address of welcome, told about the activities of fire prevention week. President Duane T. Stover of Wichita, and Frank T. Priest, national councillor, discussed the status of the business in their annual reports.

R. E. Vernor of the Western Actuarial Bureau told of the importance of fire prevention activities. He urged the agents to cooperate with fire department in effecting educational work. He cited figures of the fire waste contest to show what fire prevention work can do in reducing fire loss. Mr. Vernor claims the reduction in the national fire loss in recent years is due in major part to the efficient efforts used by the fire department in fire prevention.

In connection with the fire prevention program, winners of the Wichita fire prevention public school speaking contest were presented by E. B. Fergus, Wichita manager of the Kansas Inspection Bureau.

Convention Notes

A directory of the delegates and guests was hurriedly assembled and printed in pamphlet form as the compliments of the **Kansas City Fire & Marine**. It was distributed to the convention by Pete Rush, vice-president.

The **Home of New York** group held open house with Special Agent G. L. Steeples, Wichita, in charge. Buffet service was available at all hours and business was good. Besides William Quaid, vice-president, and David Moore, assistant secretary from New York, the hosts were Ernest Fikes, farm department, Topeka; William Chase, special agent marine department, Kansas City; E. R. Smith, state agent, Oklahoma City; R. H. Sherman, manager southwestern hail department, and Harry Hanner, special agent, Oklahoma City; Curtman Maupin, Kansas state agent, Topeka, and Harry Sankey, Topeka.

Earl Patton, secretary of the Northern Assurance, and Mrs. Patton, who are spending several weeks in the middle west, considered the Kansas convention a real homecoming, as it has been only two years since Mr. Patton left the Kansas field and this was their first attendance at a Kansas convention since that time.

J. E. Stowell, new executive committeeman, operates the J. E. Stowell agency at Kinsley. With H. J. Draut, he conducted an extensive membership campaign in his county during the past year.

Agent Must Offset Laxity of Buyers

**H. B. McKibbin Gives Viewpoint
of Insured at Kansas
Meet**

URGES MORE EDUCATION

**Service Only Starts When Policy Is
Delivered—Pertinent Questions
Are Asked**

A greater knowledge of the insurance business to offset the laxity of insurance buyers regarding the provisions of their policies was urged by H. B. McKibbin at the annual meeting of the Kansas Association of Insurance Agents. Mr. McKibbin is president of the Wichita board of education and was formerly in charge of the insurance for a large flour mill. Agents should be determined to render worth while service to both the insurer and the assured, he said. This includes basic information applicable to the needs of the buyer, truthful statements upon which a buyer may unquestionably depend, knowledge of the risk, knowledge of the limits and provisions of different classes of protection. A study of the prospect and his character and habits was urged by Mr. McKibbin. Followup calls should only be made when an agent has a constructive suggestion or valuable information to impart.

Pertinent Questions Asked About Service to Client

"How about insured values on property in recent depression years? Have you been as alert to suggest to your clients that premiums were being paid on valuations which could under no circumstances be collected in recent periods of low priced materials and labor as you were in 1917 to 1920 to suggest increases in coverage to protect the owner against rising costs of material and labor? What about your responsibility along these lines to organizations, public or semi-public, where everybody's business is usually nobody's business? Most organizations have enough difficulty to provide funds for absolutely necessary expenses without paying, partly as a gratuity, large insurance premiums for uncollectible coverage due to decreasing property valuations."

Buyer Has Right to Ask About Commission

The day of both the order taker and high pressure salesman is rapidly passing, said Mr. McKibbin. While the agent's prime objective is to write policies, collect premiums and earn commissions, the buyer is justified in asking if the commission is really earned. The commission is paid when only a small part of the service that should be given has been rendered. The service should not stop when the policy is sold and delivered. The buyer has a right to expect that the agent will keep continually informed of changes in rules and ratings which affect property and the coverage.

Commissioner Hobbs on Problems of Supervision

A number of subjects were discussed by Commissioner C. F. Hobbs of Kansas at the annual meeting of the Kansas Association of Insurance Agents at Wichita.

The agents' qualification law is inadequate, according to the commissioner. He suggested that the agents appoint a committee to draft a new measure with the insurance department's cooperation. He pointed out the weaknesses in the present law and suggested that the grounds for revocation of licenses should be strengthened. He favors a law that will actually protect the interests of the local agent. The brokers' license law, said Mr. Hobbs, does not apply to the casualty lines as these policies are not required to be countersigned by resident agents. Mr. Hobbs said he favored a law permitting revocation of an agent's license for writing policies in non-admitted companies.

The new compensation rates were explained by Commissioner Hobbs, as well as the voluntary plan of assignment of rejected risks. He said that the new system was working out satisfactorily. With the increase in pay rolls and higher rates, the 1934 compensation experience in Kansas is expected to show a big improvement.

The filing of rate deviations by stock fire companies has been referred to the attorney-general by Mr. Hobbs. Two states do not permit the practice, ten do and nine others have no laws on the subject. Because there are 16,000 licensed insurance agents in Kansas, the agents should be able to secure the needed legislation to properly protect the business, he said.

It is the duty of the agent to write as few policies as possible, especially on large risks. He must keep in mind a safe distribution among companies and work out an adequate, simple form to fit the facts to enable the buyer to check his coverage at any time without going into the detail of handling many policies.

Combination Policies Are Desirable Whenever Possible

Combination policies are desirable from any viewpoint wherever possible. An important service the agent should render is to see that all policies covering a given risk are concurrent. Sometimes rule book changes present complicated pictures as to concurrency, such as the inclusion of the hail coverage in the tornado rate. When a loss occurs the agent has a further responsibility to the assured to see that the claims are properly filed within the stipulated period. He should lend every helpful service to the adjuster in securing fair adjustment of claims.

An educational campaign should be a part of every agent's daily activities. Prospects should be educated along insurance lines and questions should be answered clearly. "Entirely too much haze and fog have been thrown around insurance subjects, resulting in a lack of confidence and uncertainty."

Don Ellis won the low gross in the golf tournament. Frank T. Priest, Wichita, was second. High gross went to O. L. Hill, Wichita. Among the field men, J. B. Patterson, Wichita attorney-adjuster, won low gross with W. J. Tippery, Aetna Fire, Chicago, second. There were a number of other prizes awarded.

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**A STOCK Fire Insurance Company
Equipped to Give Insurance Service
to Kansas Agents.**

CLYDE W. MILLER
President

L. B. BURT
Secretary

"Where Claims Receive Immediate Attention"
S H E F F E R - C U N N I N G H A M
WICHITA, KANSAS

Thomas Expounds Separation Creed

(CONTINUED FROM PAGE 28)

and is entitled to equal respect for his judgment. It is not for any one of us to say the other two are wrong and each in his own right may fairly argue his own convictions.

"It is in this spirit that the Western Underwriters Association declares its cardinal principle to be that the companies in our membership should not enter or remain in agencies which represent non-member companies. Since 1899 the association has firmly stood for this principle and our whole experience proves its justice and soundness.

Sees Agency System and Organizations Interwoven

"The Western Underwriters Association believes that local agents have contributed an essential factor in the development of fire insurance as an institution and that the American agency system has attained its present importance and success in measured step with the creation and growth of the facilities and services furnished only through organized and self-governed stock fire insurance companies. We believe the prestige and traditions of the American agency system are not resting on pillars of laissez faire.

"The point is not that organization stock fire insurance companies find non-member companies competing for the business but rather that representation of mixed classes of companies in the same agency is competition compounded, and the instruments of our own facilities and services are captured and misapplied.

"We believe that local agents have an important stake in this principle. We do not mean that all local agents will or should accept or adopt our viewpoint. We believe every agent should have complete freedom of choice as between representing Western Underwriters Association companies exclusively or representing all classes of companies, and that association companies must insist that a choice be made. The Western Underwriters Association has no vengeance to inflict and no reprisals to levy. We do not seek nor do we wish a monopoly in agency representation. We only hold to the principle that we should not be represented in agencies with companies which do not subscribe to the rules and practices which we be-

lieve are indispensable to an orderly direction of our business activities.

"We believe that without company organization both companies and agents would be compelled to adopt an altogether different scheme of operation and that certainly the many services which organization stock fire insurance companies now furnish to the business, the agents and the public would be impossible of continuance. We commend to your careful thought the case of organization stock fire insurance companies as it is related to the principles and convictions translated through the Western Underwriters Association.

"We confidently believe if there were no Western Underwriters Association or some similar organization operating on similar principle there would be chaos in our business in the middle-west."

Mr. Thomas said the W. U. A. is a voluntary association of individuals for the purpose of promoting reforms in underwriting, stabilization and the ethical conduct of the business. The obligation of the members is based on the integrity of the individual. It has 167 active and 22 honorary members, representing 249 companies. Under the aegis of the W. U. A. were started such institutions as the Underwriters Laboratories, Western Factory, Underwriters Salvage, etc. Members of the W. U. A. take an important part in the work of other associations, such as the Western Adjustment, Farm Association, Hail Association, Grain Association, Automobile Underwriters Association, Underwriters Service Association and Western Actuarial Bureau.

"It is not for organization companies," he declared, "to say more than that they sincerely believe that the exchanges, limitations and sacrifices inherent in associated efforts are the necessary elements in the advancement of the institution of fire insurance and its better service to the agents, policyholders and the public."

Convention Notes

Retiring members of the executive committee are Raymond Budge of St. John; Rosse Case of Marion; Holmes Meade of Topeka, and Fred Fitzpatrick of Salina. Mr. Case and Mr. Meade are past presidents, and with Mark Bridges

of Norton were appointed to the legislative committee with Mr. Meade again as chairman. The Kansas legislature meets in January and there is much important insurance legislation to be presented.

* * *

The convention room was lined with fire prevention week posters and displays from the Wichita fire prevention committee.

* * *

The two-reel safety picture "Saving Seconds" of the Aetna Casualty and a film of a recent Wichita Insurors picnic were shown by A. E. Smoll.

* * *

The attendance prizes given at the opening of each of the three regular sessions were won by H. O. Tinklepaugh and W. M. Baker, both of Kansas City, and Ray Hagenmaster, Hutchinson.

* * *

G. T. Fisher, Salina, of the Eberhardt-Fitzpatrick Agency, replaces B. F. Fitzpatrick of the agency on the new executive committee to represent the northwestern district of the state. Mr. Fisher is a past president of the Salina Board, has been active in association affairs both in Wichita and Salina. In 1926 and 1927 he was secretary of the Wichita Board when connected with Brown, Ginzel & Co. and old Elmer Reese agencies. Seven years ago he located in Salina, where he immediately got into harness.

* * *

C. C. McKnight, general agent of Enid, was busy rearranging his Kansas field, while attending the convention. W. W. Barrett, who has had headquarters at Wichita for the past year, covering Kansas, is being transferred to Topeka, where he will office at 633 Jackson street and confine his work to eastern Kansas. Willard McKnight, for the past two years associated with his father at the Enid office, is being located in Wichita to handle western Kansas. At the present time the Halifax and California are represented in Kansas by the McKnight agency, which has operated for some 12 years.

Wallace Boosts Prevention

In a statement endorsing fire prevention week activity, Secretary of Agriculture Wallace estimated that the total fire loss on farms and in rural communities last year amounted to \$260,000,000. This, he pointed out, was a heavy tax on the farmer. He pointed out that farmers who are careful in their use of matches, open fires and gasoline or kerosene motors around barns and hay or straw stacks have few preventable fires. The Department of Agriculture hopes that some day every farm and rural home will be supplied with plenty of water and storage tanks, cisterns or

Allen Stresses Need of Meeting Changing Order

E. M. Allen, executive vice-president of the National Surety, told the Tennessee Association of Insurance Agents at Memphis that the necessary requisite in any business for progress and growth was adaptability to changing conditions. What was considered to be the best method of retailing insurance 20 years ago may be questioned in some quarters today. He said railroads have lost much of their business because of their inability to realize the necessity of meeting changing transportation needs.

"Conditions are changing and will continue to change in our own business. Neither agents nor their companies must become complacent. The agency system must be flexible enough to meet the new order and make capital out of it.

"So far as the agency system is concerned, if changes are demanded they will come from the public and not the companies. The answer can be found only in the quality of service that is to be rendered hereafter by both companies and their agents."

Honesty New Basis

In looking around the corner to the future, Mr. Allen said, the insurance business has the solemn obligation of putting its house in order. The first of the new rules in all business will be a return to a basis of old-fashioned honesty. This entails the utmost cooperation among the companies, among the agents and between the companies and agents. A proper basis of harmony, of common sense and of fair dealing can be arrived at between companies and agents if both sides make up their mind to bring it about. "Let us," Mr. Allen said, "set our house in order on a business like basis that will permit of no future misunderstandings within the family."

ponds. With better roads and organization of volunteer fire departments, he said there is no reason why most farm buildings should not be as well protected as city property.

The Guarantee Service Agency, Bergenfield, N. J., has been incorporated by Julius Meier, Gladys Meier and E. H. Meier, and the Hudson County General Agency, Jersey City, by Isadore Taub, Harry Taub and Hyman Barowitz.

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Why not place your Casualty business through a Kansas General Agency of many years standing?

Your problems will have quicker and more sympathetic attention.

Losses will be paid at once.

Only the strongest financial companies represented.

MEADE GENERAL AGENCY

UNDERWRITERS OF ALL FORMS OF CASUALTY INSURANCE

HOLMES MEADE
LAKIN MEADE

TOPEKA, KANSAS

JOE W. HULL
CHAS. J. SMITH

GREETINGS

MILLER - STUDEBAKER AGENCY
GENERAL AGENTS
TOPEKA, KANSAS

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Insurance
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Service—Stability—Security

CASUALTY and surety business present a larger and bigger opportunity to the insurance agent every year. His future in these lines depends partly on the quality of the service he gets.

Three big casualty and surety offices that are serving satisfactorily many local offices in Illinois and adjacent states are listed here. They know the territory and are in tune with its spirit.

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**SURETY BONDS AND
CASUALTY INSURANCE**

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General Agents

**The Fidelity & Casualty Co.
of New York**

THE PREMIER CASUALTY AND SURETY
AGENCY OF THE WEST

Correspondence with agents solicited

134 South La Salle St.

Chicago, Illinois

The National Underwriter

October 18, 1934

CASUALTY AND SURETY SECTION

Page Thirty-three

Claim Preference Is Serious Hazard

New York Liquidator's Counsel Discusses Effects of Supreme Court Interpretation

RESULT IS RETALIATION

State Officials Are Urged by Ignatius in Casualty Cruise Talk to Postpone Action

The questions of special deposit requirements and preferential payment of claimants of certain states out of assets of companies being liquidated are serious, Milton B. Ignatius, special counsel for the rehabilitator in the National Surety reorganization, stated in his talk on "Preferences and Special Deposits" on the joint convention cruise of the International Association of Casualty & Surety Underwriters and National Association of Casualty & Surety Agents.

The situation is acute, following action of the Oklahoma commissioner, Aug. 30, in requiring of casualty companies of New York a deposit or surety bond of \$100,000 for the benefit of claimants and creditors and the guaranteed payment of claims in Oklahoma.

Was Retaliatory Action

This action was in retaliation against the New York supreme court's interpretation of section 34 of the New York workmen's compensation act holding that compensation claims arising in the state are preferred claims against assets of a defunct casualty company in New York. The company was the Southern Surety taken over for liquidation by the New York superintendent.

The proposed preferential treatment of these claims arising in New York was challenged, numerous objections being filed and a number of state commissioners protesting, especially those of Oklahoma and Minnesota. Compensation claims in New York impress a lien on all assets of carriers and so the superintendent as liquidator must recognize the lien against assets in his possession and discharge claims in full.

Mr. Ignatius said if the appellate court supports the supreme court decision, in fairness the recommendation of Superintendent Van Schaick to the next legislature should be awaited. He expressed confidence Mr. Van Schaick will make every effort to have the situation corrected.

Called Violation of Constitution

Opposing the New York view, he said, it is contended that preferential treatment of the citizens of one state out of general assets of a company in liquidation violates section 2, article 4 of the constitution, which provides that citizens of each state shall be entitled to all privileges and immunities of citizens of the several states, and in addition section 1 of the 14th amendment provides

Metropolitan Casualty Has Commitment from R. F. C.

MEMBER OF FIREMEN'S GROUP

Federal Agency Purchasing \$4,000,000 Stock and Loaning \$6,400,000 in Connection With Mortgage Guarantees

WASHINGTON, Oct. 17.—The Reconstruction Finance Corporation has announced its agreement to a loan commitment of \$4,000,000 to finance the purchase of preferred stock to be issued by the Metropolitan Casualty, a member of the Firemen's of Newark group.

This commitment, it was explained, together with an additional loan of \$6,400,000 for the adjustment and refunding of the company's indebtedness, is conditioned upon the company's plan to refund and adjust mortgage bonds and certificates guaranteed by it.

Negotiations for the loan have been under way for some time and had a bearing in the resignation of Neal Bassett as head of the Firemen's group. The Metropolitan Casualty was one of the companies that entered rather extensively into the business of guaranteeing principal and interest of mortgage issues. Until now the company has not received outside aid in handling these obligations, as have all the other companies that were in the mortgage guarantee business to a comparable extent.

The negotiations with the R.F.C. are understood to have been prolonged because of a dispute as to how the loan should be collateralized and guaranteed. The R.F.C. desired that the Firemen's itself be placed squarely behind the loan, while the Firemen's wanted the loan to be strictly with the Metropolitan Casualty.

that no state shall "deny to any person within its jurisdiction the equal protection of the laws."

"Certainly," Mr. Ignatius said, "if the assets resulting from a country-wide business are to be used to pay New York claimants of any class in full, other states will be warranted in so acting as to prevent assets of any company arising from operations within their respective jurisdictions being transferred to the domicile of the corporation, where they may be used for the benefit of a few at the expense of the many. In that event, all of the progress made toward centralized liquidation will be destroyed and such proceedings in the future will be less systematic and integral than they have ever been."

Urges Orderly Processes

Superintendent Van Schaick always has been keenly interested in centralization of liquidation. Mr. Ignatius expressed hope that the Southern Surety's situation and objections to the court ruling would give point to warnings heretofore sounded by Mr. Van Schaick and that the legislature in New York and other states "will be impelled to rectify the situation very promptly so that future liquidations will not resolve themselves into wild scrambles to grab assets, but will tend more and more to orderly and centralized processes."

(CONTINUED ON LAST PAGE)

Agents Seek to Revive Plan of Compensation Surcharge

MEET WITH COMMISSIONERS

Hold Conference in New York in Attempt to Have Commission-Freezing Scheme Ratified

NEW YORK, Oct. 17.—In an attempt to revive the so-called surcharge plan and to cause it to be ratified by the National Convention of Insurance Commissioners, the compensation committees of the National Association of Insurance Agents and National Association of Casualty & Surety Agents held conversations yesterday with members of the sub-committee of the compensation committee of the commissioners' convention. Under the surcharge plan, any rate increases above the level existing Dec. 31, 1933, would not be impressed with a loading for commission. In other words, commissions would be frozen at the Dec. 31, 1933, level. The plan was presented last June before the insurance commissioners, but has not been put into effect in any state. New York approved a rate increase without any qualification as to commissions.

Follows Bermuda Trip

The conversation with the commissioners' sub-committee was arranged for this week to coincide with the return from Bermuda of the big joint casualty convention. Two of the members of the commissioners' subcommittee made the Bermuda trip, they being Commissioner Brown of Massachusetts and Superintendent Van Schaick of New York. Commissioner McClain of Indiana, Brown of Minnesota and Deputy Commissioner Gough of New Jersey did not make the trip but they attended the conference.

The agents wanted to present their case in advance of the annual meeting of the National Convention of Insurance Commissioners in St. Petersburg, Fla., in December.

The committee of the National Association of Insurance Agents is headed by W. E. Harrington of Atlanta. The chairman of the Casualty & Surety agents committee is George D. Webb of Chicago. He did not attend but the other committeemen were on hand, they being T. E. Braniff of Oklahoma City, Wade Fetzer of Chicago, and W. G. Wilson of Cleveland.

Brokers Are Represented

The National Association of Insurance Brokers was also represented by President William Schiff.

No decision was reached by the state officials, although it is believed they will file their recommendations with the full committee in advance of the annual meeting of the national convention at St. Petersburg, Dec. 4-6.

G. S. Van Schaick, as chairman of the committee on compensation, presided at the gathering; J. J. Magrath, head of the rating division, serving as secretary.

J. A. Beha, general manager, and William Leslie, association general manager

(CONTINUED ON LAST PAGE)

Casualty Men Hold Unusual Meeting

Stone Heads Executives Group and Millikan Is Reelected by Agents

COMMISSIONERS SPEAK

Outsiders Featured on Formal Program

—T. E. Braniff Has Low

Gross Golf Score

NEW OFFICERS

INTERNATIONAL ASSOCIATION OF CASUALTY & SURETY UNDERWRITERS

President—E. C. Stone, Employers Liability.

Vice-president—J. L. D. Kearney, Hartford Accident.

Secretary-treasurer—F. Robertson Jones.

Executive Committee—J. M. Haines, London Guarantee, chairman; W. R. C. Corson, Hartford Steam Boiler; W. G. Curtis, National Casualty; R. Howard Bland, United States Fidelity & Guaranty; C. B. Morecom, Aetna Life.

NATIONAL ASSOCIATION OF CASUALTY & SURETY AGENTS

President—J. R. Millikan, Cincinnati.

Vice-president—C. A. Abrahamson, Omaha.

Secretary-treasurer—C. H. Burras, Chicago.

Executive Committee—T. E. Braniff, Oklahoma City, chairman; Wade Fetzer, Chicago; W. B. Allen, Hartford; C. M. Bend, St. Paul; J. F. Hickey, St. Louis; J. H. Carney, Boston; G. E. Charlton, Lawrence, Kan.; B. W. McCluer, Kansas City; G. D. Webb, Chicago; J. T. Harrison, New York, and W. G. Wilson, Cleveland.

By DOROTHY B. PAUL

Convening under circumstances different from those of former years the International Association of Casualty & Surety Underwriters and the National Association of Casualty & Surety Agents held their annual joint meeting on board the S. S. "Queen of Bermuda," which sailed from New York Oct. 10 and returned Oct. 15. The first session was presided over by J. A. Nelson, president of the company association and head of the New Amsterdam Casualty.

Maj. Gen. J. C. Harbord, chairman of the board of the Radio Corporation of America, in a talk on "War in the Air," favored the enactment of an adequate air program but deplored the stand taken by the alarmists. He showed the foolishness of the fears regarding the possibilities of an air invasion by foreign countries.

The second speaker was Commissioner G. W. Brown of Minnesota, and president of the National Convention of Insurance Commissioners. Mr. Brown was followed by M. B. Ignatius, prominent New York lawyer of the firm of Cabell, Ignatius, Lown & Blinken.

The second session was presided over

(CONTINUED ON PAGE 43)

Legislative Developments of Year Are Outlined by Jones

TAXATION SITUATION WORSE

Need for Educational Work on Occupational Disease Situation—Only One New Deposit Law

Important legislative results of the past year were outlined by F. Robertson Jones, secretary International Association of Casualty & Surety Underwriters, at the annual meeting on the steamship Queen of Bermuda.

The situation in regard to taxation is growing worse rather than better, said Mr. Jones. The states are continually searching for new sources of income. However, no bills of serious consequence were passed last year.

No state fund compensation bills passed. In Kentucky and Massachusetts new occupational disease measures were enacted. The Kentucky law provides that employers in industries in which employees were exposed to silicosis may voluntarily subject themselves to the workmen's compensation law. Massachusetts has established a division of occupational hygiene to investigate conditions in occupations with reference to health hazards and their control. A close touch has been kept upon the developments in the occupational disease situation by the International association's special advisory committee. Recent court decisions disruptive of the occupational disease situation have emphasized the need for educational work and constructive suggestion.

Special deposit bills were introduced in seven states but Louisiana is the only state to enact such a law. It requires all guaranty, fidelity, surety and bond companies doing business in the state to deposit under certain specifications \$50,000 in money, United States bonds or Louisiana state or political subdivision bonds. In addition there were several nonlegislative developments in regard to special deposits. Mr. Jones referred to the action of the Oklahoma commissioner in requiring a deposit of \$100,000 from New York companies as a result of the decision in the Southern Surety liquidation case. Pending a decision as to the feasibility of an appeal no action has yet been taken.

In New Mexico the law passed in 1929 permitting the superintendent of insurance to return deposits of \$20,000 in securities to casualty and surety companies operating in the state for 10 years was held unconstitutional and a demand for redeposit was made. This action is being tested in the courts and no decision has yet been rendered.

Mr. Jones also reviewed the action on the Florida special deposit law which was extended to include companies writing public liability business. In this case the court overruled the commissioner in requiring such a deposit and the commissioner has retaliated by demanding a special restrictive clause in public liability policies.

Relief on Officials' Bonds

Bills introduced in the various states relating to the deposit of public funds and relieving from liability the official responsible for the deposit of the surety on his bond were reviewed by Mr. Jones. A measure was enacted in Colorado relieving county treasurers and county commissioners from liability for loss of public funds resulting from the default or insolvency of the depository. A new Illinois law provides that city and village official bonds may provide that the obligation of the sureties shall not extend to losses sustained by insolvency, failure or closing of any depository, provided the depository was approved by the city council or board of trustees.

In Kentucky a bill was passed relieving public officials and fiduciaries and others bonded because of fiduciary du-

Resigns Connection with the Maryland Casualty



RICHARD H. THOMPSON

Richard H. Thompson, one of the best known executives in the casualty field, has resigned his connection with the Maryland Casualty. For the last several months he has had the title of public relations counsel for that company. He has served in various capacities with the Maryland Casualty and has had wide experience. He has represented the company at many conventions throughout the country and has a wide acquaintance.

Indictment Voted Against Hansen in Huntingdon, Pa.

Carl M. Hansen, whose various insurance enterprises blew up last year, was recently indicted in Huntingdon, Pa., under 22 counts charging embezzlement and four charging falsifying the records of the Insurance Management Corporation, the offices of which were located in Huntingdon.

Mr. Hansen operated the American Mine Owners, an insurance company of Huntingdon. The Insurance Management Corporation went into receivership about 10 months ago. C. P. Wynne, the receiver, is the prosecutor.

Mr. Hansen is now in Montana operating and promoting gold and silver mines. He was president of the International Reinsurance and then proceeded to get control of a number of other casualty companies, including the Independence Indemnity, Commonwealth Casualty, Liberty Surety Bond, General Indemnity and others. He tried to put all of these companies together and they all blew up.

The approximate amount alleged to have been embezzled by Mr. Hansen in the Huntingdon indictment is \$610,563.

Seeks End of Abortive Promotions

The Illinois insurance department has brought a petition for permanent receiver for two concerns, in process of formation, on the grounds that they have not complied with the organization requirements. The companies are the Shippers Mutual Casualty and the Premier Mutual.

ties from liability as insurers of funds subject to their control after having been deposited in approved depositories.

Six bills to restrict liability of motor vehicle owners or operators for damages to guest passengers injured by reason of negligent operation of motor vehicles were introduced in four states but not passed.

Attorney Advises Agents on Proper Claim Procedure

ADDRESSES KANSAS MEETING

J. B. Patterson Urges Informing Assured of Policy Provisions; Warns Against Adjusting Competitor's Losses

In suggesting how the agent might make easier the path of the adjuster, J. B. Patterson, attorney of Wichita, declared that informing the assured of the provisions of his contract would adjust many losses because if the assured knew its limitations, many claims would never be presented. "Don't try to adjust another agent's loss," he also advised. Another recommendation was for the agent to take a personal interest in all disputed claims but to be fair with the insurance company as well as the assured. He made these points in his address before the annual convention of the Kansas Association of Insurance Agents in Wichita.

If it is an automobile liability policy, Mr. Patterson said, the agent should explain to the insured that it is really a policy of indemnity and not an accident policy for the benefit of any person riding in the car. Many lawsuits would have been averted, he said, if the agent, in selling the policy had said: "This policy means what it says. It will protect you against any liability imposed by law by reason of the operation of your automobile. If someone is injured through circumstances which do not make you legally liable, the company is not bound to pay. The company's liability under this policy is no greater than your liability under the law."

Fidelity Limitations

The man who buys fidelity coverage on his employees is entitled to know that he cannot recover for unexplained stock shortage or for bad credit advanced in good faith by one of his clerks.

"The poorest argument advanced by an agent," Mr. Patterson said, "is that the claim should be paid because the assured thought he was buying that kind of coverage." The agent should have discussed the coverage with him when he ordered the policy.

Mr. Patterson warned agents against giving claim advice to a disgruntled patron of some other agent. To do so is unethical and the chances are that the competitor's assured is telling the story from his own angle, omitting many important details and failing to consider the reasons on which a denial of liability was made.

"The most damaging statement that can be made by an agent," he said, "is: 'If my company had that claim you would get your money.'"

He said no reputable lawyer would give advice to another lawyer's client about the handling of a suit and no reputable doctor would prescribe treatment for another doctor's patient. "Why," he asked, "belittle your own profession by stirring up distrust and causing loss of confidence in it?"

As for the agent's part in the disputed claim, Mr. Patterson said too often the agent forgets his representation of the company and becomes only the agent of the insured. In order to continue the assured's business on his books, he becomes too anxious for the company to pay a loss.

All adjusters, he said, have heard threats from agents that if certain losses were not paid, the agent would cancel his representation of the company and by these tactics the agent very often procures the payment of a claim when he should have supported the company and shown the assured that such a contingency was not covered. This, he added, operates as a sort of blackmail on the company and forever ruins the assured's opinion of insurance companies. Payment of such claims leads the assured to believe the policy contract means nothing and the company will

Approved Sureties and Underwriting Limits Are Issued

The United States Treasury Department has issued the following list of acceptable sureties on federal bonds with the net limit on any one bond:

	Underw. Limits
Aetna Casualty	\$1,212,000
American Bonding	139,000
American Employers'	230,000
American General, Tex.	67,000
American Indemnity	161,000
American Motorists	145,000
American Reinsurance	395,000
American Surety	1,036,000
Associated Indemnity	133,000
Bankers Indemnity	129,000
Central Surety, Mo.	162,000
Century Indemnity	139,000
Columbia Casualty	304,000
Commercial Casualty	228,000
Commercial Standard	60,000
Continental Casualty	333,000
Eagle Indemnity	246,000
Employers Casualty, Tex.	44,000
Employers' Liability	627,000
Employers Reinsurance	305,000
Eureka Casualty	75,000
European General Reins.	250,000
Excess	134,000
Fidelity & Casualty	651,000
Fidelity & Deposit	493,000
Fireman's Fund Indem.	296,000
General Casualty, Wash.	127,000
General Reinsurance, N. Y.	242,000
Glens Falls Indemnity	166,000
Globe Indemnity	750,000
Great American Indemnity	295,000
Guarantee of N. A.	151,000
Hartford Accident	900,000
Home Indemnity	212,000
Indemnity of No. America	378,000
Inland Bonding	45,000
International Fidelity	184,000
Kansas Bankers Surety	54,000
London Guar. & Accel.	419,000
London & Lancashire Indem.	147,000
Maryland Casualty	750,000
Massachusetts Bonding	363,000
Mellbank Surety	816,000
Metropolitan Casualty	162,000
National Automobile, Cal.	46,000
National Casualty	125,000
National Surety	400,000
New Amsterdam Cas.	470,000
New York Casualty	129,000
Occidental Indemnity	137,000
Ocean Accident	454,000
Ohio Casualty	97,000
Pacific Indemnity	293,000
Preferred Accident	189,000
Royal Indemnity	615,000
St. Paul-Mercury Indem.	162,000
Seaboard Surety, N. Y.	139,000
Standard Accident	219,000
Standard Surety & Casualty ..	280,000
Sun Indemnity	220,000
Texas Indemnity	41,000
Trinity Universal	160,000
U. S. F. & G.	928,000
United Pacific Casualty	211,000
United States Casualty	211,000
United States Guarantee	448,000
Western & Southern Indemnity ..	196,000
Western Cas. & Surety, Kan.	96,000
Western Surety, S. D.	44,000
Yorkshire Indemnity	111,000

NOTES

This list will be published semi-annually, following the audit of the financial reports submitted to the department as of June 30 and Dec. 31 of each year. Ratings of delinquent companies will be omitted.

Risks in excess of limit fixed herein must be reported for quarter in which they are executed. In protecting such excess, the rating in force on the date of the execution of the risk will govern absolutely.

This limit applies until a new rating is published by the Treasury Department.

†Authorized to do a reinsurance business only.

‡Certificate of authority issued July 25, 1934.

Many New Nebraska Companies

Thirteen new Nebraska companies were organized in the year ending June 30, 1934, according to the report of the Nebraska department. Of these, seven were in Omaha: American Lloyds Mutual Assurance, American Plate Glass, Farmers & Merchants Mutual, Metropolitan Accident & Health, Pyramid Casualty, Union Casualty and Union National Fire.

go to any length to keep from losing his business.

Mr. Patterson concluded by saying that claim adjusters and attorneys have plenty of faults as well and he said he would be glad to hear from the agent about such shortcomings.

Give Safety Hints At Cleveland Meet

Many Insurance Men Take Part
in Safety Council Pro-
ceedings

COVER MANY SUBJECTS

Life, Fire and Casualty Experts Make
Valuable Suggestions for Prevention
of Accidents and Property Loss

A score of speakers from the insurance field took part in the annual Safety Congress & Exposition in Cleveland.

Included in the long list were R. B. Criswell, Ohio Inspection Bureau, Columbus; Dr. W. J. McConnell, assistant medical director Metropolitan Life; David S. Beyer, Liberty Mutual; W. G. Cole, Metropolitan Life; R. E. Simpson, Travelers; T. Alfred Fleming, National Board; S. E. Whiting, Liberty Mutual; Albert W. Whitney and Dr. H. J. Stack, National Bureau of Casualty & Surety Underwriters; C. E. Pettibone, American Mutual Liability, H. W. Heinrich, Travelers; W. S. Paine, Aetna Life; L. R. Palmer, Equitable Life of New York; Dr. J. N. Shirley, Arrow Mutual Liability; F. W. Braun, Employers Mutual Liability of Wausau, Wis.; M. N. Halsey, National Bureau of Casualty & Surety Underwriters; and L. J. Carey, Michigan Mutual Liability.

How Home Fires Caused

One of the highlights was the talk and demonstration by Mr. Criswell on "How Home Fires Are Caused." He illustrated in dramatic manner how fire might start from a goldfish bowl, an oily mop, gasoline fumes around an unguarded electric light globe and other unusual hazards.

Percy Bugbee, assistant managing director National Fire Protection Association, talked before the "Fire Prevention in Industry" session on "Modern Methods of Teaching Fire Prevention." He took the Youngstown Sheet & Tube Co. as an example of what could be done when an energetic campaign was carried on.

"A series of meetings was held with the employees to demonstrate the practical value of fire prevention work to them and to their industry. The value of fire prevention and safeguarding life and safeguarding their jobs was sold to the employees in common sense language. The intense practicability of the campaign is demonstrated by one incident. 'Considerable oil and grease hazard,' Mr. Bugbee continued, 'was found in one section of the plant because of the careless use of these materials. The fire prevention workers pointed out to the superintendent that a more careful use of oil and grease would not only reduce fire hazards but would save money, and a saving of \$583 in one month was effected through this means.'

Brigade Work Developed

"The fire brigade work of the plant was developed to a high degree. Each department has a fire company with a captain and lieutenant and from four to 10 members, according to the hazards. There is a company for each shift and the companies are drilled at least once a month. Between 1926 and 1932, the company had reduced fires from 2,274 to 57."

(CONTINUED ON PAGE 42)

**MORE CASUALTY NEWS
ON PAGE 15**

General Accident Observes Its 35th U. S. Anniversary

GATHER AT WHITE SULPHUR

Francis Norie-Miller Present From
Home Office—Tribute Paid to
Frederick Richardson

One of the serious factors today facing insurance companies doing an international business is the question of exchange, Francis Norie-Miller, chairman of the board, declared at the three-day celebration at White Sulphur Springs, W. Va., of the 35th anniversary of the entrance of the General Accident into United States. There were 175 agents present from all sections of the country.

Mr. Norie-Miller touched on the exchange problem, relating how his company has had to pay \$30,000 more on a claim in Indo-China because of the difference in exchange. He cited another instance where a \$20 premium turned into \$16 by the time it reached the home office. Mr. Norie-Miller said that the world was emerging from the depression and that the lower classes were better off today than ever before.

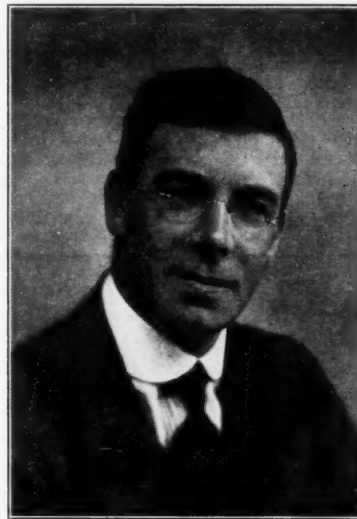
Frederick Richardson, United States manager of the General Accident, took a prominent part in the 35th anniversary exercises at White Sulphur Springs, his company entering this country that many years ago.

Mr. Richardson started his insurance career with the General Accident in 1893 at its Liverpool office, when he was 17 years of age. In 1898 he became chief clerk at the London office. The following year he joined the Credit Guarantee, now the Eagle Star & British Dominions. In 1901 he went to Australia where he was active manager of the Colonial Mutual Fire of Melbourne, a stock company owned by the London & Lancashire Fire. He returned to the General Accident, being assistant manager at London. He became United States manager in 1916. He is regarded as one of the outstanding casualty executives, a man of wide reading, many accomplishments, whose ability has often been recognized.

Presented with Painting

At the banquet Mr. Norie-Miller was presented with an oil painting of Mr. Richardson, secured by donations from the entire agency force. Tears were in Mr. Norie-Miller's eyes as he rose to accept the gift. He has made, he said, 39 visits to the United States in the past 40 years. He paid tribute to the work of Mr. Richardson in building up the United States branch. He declared that the United States was greater today than ever before on the magnificent foundation it was now laying. He said not to expect immediate recovery, that it would not come in a year or two

Celebrant



FREDERICK RICHARDSON

Frederick Richardson, United States manager of the General Accident, took a prominent part in the 35th anniversary exercises at White Sulphur Springs, his company entering this country that many years ago.

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years, but that it was on the way and that it was only a question of time.

There were also golf tournaments for
(CONTINUED ON PAGE 39)

Installment Plan Is Ruled Illegal

Chicago Carrier Writing on Time
Payment Basis Strikes
Snag

ATTORNEY GENERAL RULES

Mutual Casualty Company Is Hit By
Decision—Unpaid Portion Not
Admitted Asset

The Illinois attorney general has delivered an opinion which is a blow to a mutual casualty company in Chicago, which has been specializing in the sale of truck and taxicab business on the installment payment of premium basis.

The attorney general holds that this company is violating the law in agreeing to accept premiums in installments. Furthermore the attorney general finds that on the installment business already in force, the unpaid portion of the premium cannot be included as an admitted asset where the contract has been in force longer than 90 days.

Premium Payment Agreement

The company in question has been writing its business on the annual basis, but attached to the policy is a premium payment agreement whereunder the assured agrees to pay in installments running over six, eight or ten months. Cancellation is at short rate. The company is not liable during any period in which the assured is in default in payment of any portion of the premium.

The practice of the company has been to show the full annual premium as premiums written and the unpaid installments are shown as ledger assets. The company contends that the unpaid portion should be considered as an admitted asset, even though the policy has been in force more than 90 days. The attorney general cites an example: He takes a policy with an annual premium of \$100, which goes into effect Oct. 1.

(CONTINUED ON PAGE 39)

NEW OFFICIALS OF CASUALTY BODY



E. C. STONE



J. L. D. KEARNEY



JAMES M. HAINES

E. C. Stone of Boston, United States manager of the Employers Liability, has been elected president of the International Association of Casualty & Surety Underwriters; J. L. D. Kearney, president Hartford Accident & Indemnity, vice-president, and J. M. Haines, United States manager London Guarantee & Accident and Phoenix Indemnity, chairman of the executive committee.

H. B. White Is Reelected as Iowa Federation President

PLAN LEGISLATIVE PROGRAM

John T. Hutchinson, Secretary of National Federation, Addresses Annual Meeting in Des Moines

DES MOINES, Oct. 17.—H. B. White of the United States Fidelity & Guaranty was reelected president of the Iowa Insurance Federation at its second annual meeting here. John W. Gunn, Employers Mutual Casualty, was reelected secretary-treasurer.

Vice-presidents elected included J. H. Bunten, Des Moines; A. P. Speers, president Iowa Association of Insurance Agents, Centerville; F. R. Korn, Modern Woodmen; H. E. Rex, Iowa State Traveling Men's; A. B. Loran, State Automobile; K. G. Ellsworth, Aetna Casualty; C. J. Schrupp, Dubuque Fire & Marine.

New Executive Committee

To the executive committee were named H. B. Carson, Mill Owners Mutual Fire; F. R. Korn, Mark Waterman, State Automobile; Thomas Waters, insurance attorney; J. A. Gunn, Employers Mutual Casualty, and Chester E. Ford, Ford Insurance Agency, Des Moines. President White and Secretary Gunn are ex-officio members of the committee.

John T. Hutchinson, secretary Insurance Federation of America, who organized the Iowa federation a year ago, was present and spoke.

The same general purposes of mutual cooperation and effort in insurance legislation were reiterated and pledged as were outlined in the organization meeting last year. A strong legislative program is promised.

Five of Founders Still Are Active in Company

The National Life & Accident of Nashville has a remarkable record in that the five founders of the company are still connected with it in an active way. They constitute the five senior officers. The company was started Jan. 1, 1902. C. A. Craig, who was president until 1932, when he became chairman of the board, started as its president and has given all his time to the company ever since. W. R. Wills, the present president, prior to 1932 was connected with the Tennessee insurance department; C. R. Clements, executive vice-president, is one of the founders. T. J. Tyne, vice-president and general counsel, and Dr. R. E. Fort, vice-president and medical director, are the other men associated with the group in establishing the company.

The National Life & Accident is one of the outstanding companies of the country, it has been successful from the start, it is well and harmoniously managed and it has built up a magnificent organization.

Cover Madison Buses

MADISON, WIS., Oct. 17.—The Madison Street Railways Company has taken out public liability insurance on its buses with the Continental Casualty. The coverage is \$75,000 on the larger buses and \$50,000 on the smaller ones. Action was taken by the Wisconsin Public Service Commission to compel the railways company to file sufficient bonds or liability policies to cover passengers. The commission had exempted the railways company from filing such evidence of financial worth in 1927 when it held it was financially able to pay any damages that might result from accidents. Last April the exemption was revoked.

Need United Front in Fight Against Inimical State Laws

GARFIELD BROWN IN ADDRESS

Minnesota Commissioner at Joint Casualty Meeting Blames Changing Compensation Rating for Public Attitude

United effort will be needed on the part of all insurance men interested in sound insurance to prevent passage of legislative proposals which would handicap companies and agents and be disadvantageous to the public, Garfield W. Brown, Minnesota commissioner, stated in his talk at the annual joint convention of the International Association of Casualty & Surety Underwriters and National Association of Casualty & Surety Agents on board the "Queen of Bermuda."

Much Explanation Required

Mr. Brown said the cause of sound insurance has been especially damaged by the vacillating rate-making policies of casualty companies in workmen's compensation. He said it is evident there has not been evolved a procedure providing compensation rates meeting the tests of adequacy and reasonableness, nor evidencing characteristics of permanence. The rating procedure is continually changing. One year a country-wide rate-making program is devised, setting forth certain broad principles to be followed in all states. State rating authorities are told by company officials the principles are equitable and necessary to preserve company solvency. The following year, Mr. Brown said, another countrywide rate-making program may be proposed differing materially from the previous one.

"After having sold the merits of the last program so convincingly," he said, "the changes suggested require consid-

erable explanation. When this has been repeated four or five times there arises a resistance to the sales talk of revision advocates and a greater reluctance on the part of the public to accept any plan of rate-making. Every change is looked upon with suspicion and there is no certainty that the same procedure will be followed another year."

He pointed out that a few years ago compensation rates were keyed to the rate level requirements of three years' experience, then later were based on a single year's experience. This year is proposed a basis of two years' average, and next year, he said, it may be a three-year basis. With few exceptions changes proposed are to the disadvantage of employers, he stated. Consistent treatment throughout would have removed this controversial element.

Is Disturbing to Public

Such a policy is disturbing to the public and has an influence upon legislators. For a number of years the trend of medical costs has been upward. Casualty companies to reflect this trend projected medical costs into the future, the theory seeming logical and substantiated by experience. In most states the plan was approved. In the 1934 rate program, however, it had been abandoned and in its place was a contingency factor "offered as a panacea for the current difficulties in rate-making." It was proposed as a means of injecting a degree of permanency into the rate structure. The arguments were plausible, Mr. Brown said, but purchasers have become skeptical and discount these arguments because of experience with past revisions involving other factors advocated with equal sincerity of purpose but later abandoned.

An accredited rate-making process for workmen's compensation is sorely needed, he said; one that can be followed constantly year after year without annual alteration and which will produce reasonable and adequate rates.

An important factor is expenses. In

(CONTINUED ON PAGE 40)

birds of a feather

The character and standing of a company is measured by the calibre of its agents . . . Good agents have good companies.

This may be the reason why so many of the outstanding casualty agents of the country represent the "London Guarantee".

Established in 1869, the "London Guarantee" is one of the oldest and strongest casualty companies in the world.

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it were possible to analyze automobile insurance in a laboratory, it would be found that "the two all-important elements were the coverage provided for by the policy" and "the ability to pay any obligations under the policy."

We invite this test of the automobile insurance offered by the American States.

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INSURANCE COMPANY**
Indianapolis Indiana
Automobile Insurance Exclusively

CHANGES IN CASUALTY FIELD

Important New York Changes

Harry A. Kearney Named Manager of Hartford Accident Branch; Earl and Merrick Advanced

The Hartford Accident announces the appointment of Harry A. Kearney as manager of its New York department, of William A. Earl as associate manager and general attorney; and of George T. Merrick as associate manager.

Mr. Kearney will have complete charge of the New York department which comprises the metropolitan area, northern New Jersey, Long Island and southern New York state. Mr. Earl, in addition to his duties as general attorney, will supervise the activities of the service departments including claims, engineering, auditing, accounting and statistical. Mr. Merrick, who has been superintendent of the automobile department, will supervise all casualty underwriting.

Mr. Kearney joined the Hartford Accident in 1924, as superintendent of the

fidelity and surety department of the New York office. In 1926 he was appointed assistant manager of that office.

He entered the surety business in 1912 in the Philadelphia branch of the Title Guaranty & Surety, assigned to the contract bond department. In 1914 when the Title Guaranty & Surety was reinsured by the American Surety, Mr. Kearney continued with the latter company's Philadelphia branch. Shortly thereafter he joined the Aetna Casualty in its Philadelphia branch. Four years later he became identified with the branch of the Globe Indemnity but later returned to the Aetna Casualty as superintendent of the uptown bond department.

Mr. Earl is a member of the New York bar. He joined the Hartford Accident in 1914, having previously been employed in the legal department of the General Accident. He was assigned to the legal department of the Hartford. In 1917 he was made manager of the claim department and became attorney of record for the metropolitan district in 1920. In 1928 he was made general attorney

and has since been in charge of the claim and legal staffs in New York.

Mr. Merrick began his insurance career in 1907 with Frank B. Jordan, and later became associated with the insurance brokerage office of W. H. Edwards where he remained until 1910, when he joined the Hartford Fire as assistant to the superintendent of the automobile and transportation department. In 1913, when the Hartford Accident commenced active operation, he became associated with that company as automobile underwriter in its New York branch. In 1918 he was promoted to assistant superintendent of this department and in 1924 was made superintendent.

Though bearing the same name, H. A. Kearney is not related to President J. L. D. Kearney of the Hartford Accident. H. A. Kearney succeeds Paul Rutherford, who was called to the head office a short time ago as vice-president and chief aide to President Kearney.

Alonzo G. Oakley Named U. S. F. & G. Vice-President

Alonzo G. Oakley, who has been manager of the New York office of the United States Fidelity & Guaranty for 24 years, has been elected a vice-pres-

ident of the company with full executive authority. W. H. Estwick, who has been assistant manager of the New York office, is advanced to the position of manager.

Mr. Oakley has been with the New York office since it was opened in 1898. He started with the American Surety in 1894.

Mr. Estwick has been connected with the office since 1904, joining the company through winding up the affairs of the old Lawyers Surety, which was controlled by the U. S. F. & G. He was appointed assistant manager in 1923.

Kempf's Successor Is Named

James White of Newark Is Appointed Manager in Chicago for the Travelers

The new casualty manager for the Travelers in Chicago is James White, who has been associate manager, casualty lines, at Newark. He succeeds Louis J. Kempf, who recently was appointed secretary of the Travelers in the compensation and liability department at the head office.

Mr. White has been connected with the Travelers since 1911. At first he served as an inspector and engineer. For the last 12 years he has been engaged in sales and managerial work. At one time he was casualty manager at Charlotte, N. C. It is interesting that E. B. Dudley, life department manager for the Travelers at Chicago, was promoted to his present position from the Charlotte office.

Mr. White's earlier experience was in marine engineering. He was connected with the Hartland & Wolff Shipbuilding & Engineering Co. of Belfast and with the White Star Line in Liverpool. He was a licensed chief engineer in the British Mercantile Marine and served on some of the White Star liners.

Mr. Kempf arrived in Chicago this week and will remain there until Oct. 26, before returning to Hartford. Mr. White is expected to arrive in Chicago next Monday to assume his new position and Mr. Kempf will introduce him to the city.

F. & C. Michigan Changes

DETROIT, Oct. 17.—Glenn L. Williams, until recently district agent of the Fidelity & Casualty in St. Paul, Minn., has been placed in charge of the Grand Rapids district, G. J. Lieber, resident manager here, announces. Ellis Marontate has been transferred from Grand Rapids to Detroit to succeed Norman Stull, resigned, and will handle the northeastern section of the lower peninsula. Mr. Williams was in charge at Flint, Mich., before the district office there was closed. In his new position he will service the western half of the state.

Johnson With Equity Mutual

KANSAS CITY, Oct. 17.—C. W. Johnson, formerly with the Farmers Auto Inter-Insurance Exchange, San Francisco, has joined Bruce Dodson as supervisor for Missouri, and is organizing a crew of district managers to cover 30 sections of the state for the Equity Mutual in the motor car field.

Thompson Gets ERA Post

DETROIT, Oct. 17.—G. S. Thompson, former engineer for the Royal Indemnity in Michigan and more recently with Gnaul & Co., Detroit, general agents Indemnity of North America, has been appointed head of the safety department of the Emergency Relief Administration for Michigan and will supervise safety engineering work in connection with projects financed by it in this state.

Sparrow Succeeds Brooke

A. W. Sparrow, Jr., has been appointed superintendent of the federal official and internal revenue and fraternal order division of the fidelity department

Current trends in casualty underwriting emphasize the value of the direct and sympathetic relationship afforded agents by the

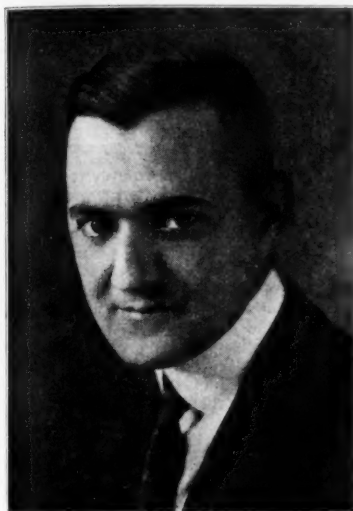
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INSURANCE COMPANY**

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One of the American Group

Globe Indemnity Chicago Manager Has Resigned



M. GORDON GRAHAME

M. Gordon Grahame this week announces his resignation as Chicago manager for the Globe Indemnity. He is leaving this week for a hunting trip and plans to return to Chicago about Dec. 1, when he expects to make an announcement as to a future connection.

For several years, Mr. Grahame has been one of the outstanding casualty company managers in Chicago. He has been one of the big producing managers in the city. Until he became manager of the Globe Indemnity, his entire business experience had been with the Maryland Casualty. He started with that company in 1912 and progressed through various ranks, particularly in the bond department, until he became executive special, traveling throughout the country. After serving in the war, he reentered the services of the Maryland Casualty and was soon transferred to Chicago as head of the bond department. In 1925 he was appointed manager of the Chicago branch office of the Maryland Casualty and a few years later was given the title of resident vice-president. He has many friends in the business among company people and agents and brokers, who will be interested in the announcement of his future plans.

of the Fidelity & Deposit. He succeeds W. L. Brooke, who has resigned. Mr. Sparrow graduated from the F. & D. training school in 1924 and for several years has been assistant superintendent of the general fidelity division of the fidelity department.

Neely Now in Field

O. H. Neely, who has been assistant manager of the casualty department in the mid-western division of the Fireman's Fund Indemnity in Chicago, is now on temporary assignment in the northern Illinois field, where he is beating the brush in a production capacity.

Schaber With Travelers

E. Y. Schaber has been appointed claim investigator for the Travelers office in Cincinnati, succeeding A. M. O'Connell, who is now claim manager for the General Accident. Mr. Schaber has been a member of a Cincinnati law firm.

Get Columbia in Boston

Dewick & Flanders have been appointed Boston general agents of the Columbia Casualty.

The Standard Surety & Casualty has appointed Thomas J. Hogan, Inc., New York City, its mid-town agent.

Installment Payment of Premiums Is Held Illegal

(CONTINUED FROM PAGE 35)

The assured pays \$20 down, \$10 Nov. 1 and \$10 Dec. 1. Therefore a total of \$40 has been paid at the end of the year and \$60 is not paid. The company contends that the \$60 is properly an admitted asset because it is not yet due and not delinquent.

The insurance department examiners, however, have thrown out, as admitted assets, such entries, which has resulted in decreasing the surplus of the company.

The attorney general holds that the company must set up a reserve based on the entire premium as of the effective date of the contract.

This installment system, the attorney general holds, cannot be construed as a renewal of the policy each month nor can the monthly payment be regarded as payment of a single premium each month. The entire annual premium must be considered in computing the reserve.

The attorney general takes up the question of whether the company is authorized to defer payment of parts of the premium; whether the company may accept in payment of the premium a

note, in lieu of cash. He finds there is no statutory provision authorizing deferment of payment of premium. The theory is that a company should get the full amount in cash immediately when the policy is written and the entire premium should be entered as an asset. The convention statement form recognizes the collectibility of premiums if they are not over 90 days old. That is a rule, the attorney general points out, based on leniency toward the insurance companies. He argues that it should not be extended to the detriment of policyholders and he concludes that the company is violating the law in agreeing to accept premiums in installments.

Of course this installment plan should not be confused with a premium financing system whereunder an independent finance company or one affiliated with the insurance company, extends the credit and turns the full premium over to the insurer.

General Accident Observes Its 35th U. S. Anniversary

(CONTINUED FROM PAGE 35)

both men and women and Mrs. Richardson won the prize for the women's low gross. The men's low gross was won by J. C. Conklin, Hackensack, N. J.;

second low gross, Joseph Byrne, Newark; low net, Thomas Hall, Canadian manager, Toronto; second low net, Everett Konantz, St. Paul; kickers handicap, Fred Ivey, New Orleans, and Cliff Miller, New Haven.

Colorado Agents to Hold Meeting in Pueblo Nov. 9

COLORADO SPRINGS, COLO., Oct. 17.—The annual meeting of the Colorado Association of Insurance Agents will be held at the Congress hotel in Pueblo, Nov. 9. The executive committee will have a meeting in the morning and there will be a general session in the afternoon. Some of the subjects to come up will be an agent's qualification law, the danger of the federal government being in insurance and the report of the special committee which appeared before the Rocky Mountain supervisory committee. M. S. Collins of Colorado Springs is president and Frank Cotten, Jr., of the same place is secretary.

The Lumbermen's Underwriting Alliance of Kansas City, Mo., the Manufacturing Lumbermen's Underwriters, the Universal Underwriters, all of Kansas City, and the Northwestern National of Milwaukee, have been licensed in Georgia.

strength



Continental growth and expansion, ever conservative in the interests of stability, has made haste slowly. Firm financial foundation was, and is, the first consideration.

Today. Continental capital, surplus, resources and special reserves are more than adequate to withstand the most severe financial and economic disturbance. Continental DURABILITY is *beyond* questioning.

The value of such strength is apparent to progressive agencies.

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Insurance and Surety Bonds or Practically Every Purpose

WORKMEN'S COMPENSATION

Threatens Commission Cut

Unless Rate Increase of More Than 5 Percent Is Allowed in Wisconsin, Agents May Suffer

Indication that compensation commission reduction may be in store for Wisconsin agents, unless the Wisconsin department allows a rate increase greater than 5 percent, was given in a communication from William Leslie, associate general manager of the National Bureau of Casualty & Surety Underwriters, in a letter to W. B. Calhoun, president of the Wisconsin Association of Insurance Agents.

Mr. Leslie stated the companies have taken a firm and definite position that to the extent they fail to secure the increase required for losses and loss expenses, they will be obliged to reduce commissions to agents if they are to continue writing compensation.

The stock companies requested an increase of 14.9 percent in Wisconsin. Commissioner Mortensen has indicated he will approve an increase of only 5

percent. This is 9.4 percent less than the companies regard as necessary. Seventy percent of that 9.4 or 6.58 percent represents the portion required for losses and loss expenses and therefore, according to Mr. Leslie, it will be necessary to reduce the amount for commissions by that percentage if the companies are to secure the increase required for losses and loss expenses. Mr. Leslie said as soon as a definite decision is reached by the Wisconsin insurance department, plans will be made to discuss the matter with the Wisconsin agents. He urged them to cooperate in obtaining the increase requested.

Helm Combats Minnesota State Compensation Idea

ST. PAUL, Oct. 17.—Vigorous opposition to Governor Olson's proposal to have the state write compensation insurance is expressed in a letter to the governor from Clyde B. Helm, secretary of the Insurance Federation of Minnesota. The letter followed one to

Secretary Helm in which the governor disclaimed any intention to have the state embark in the general insurance business but did favor the state writing compensation insurance in "a competitive way."

"Insurance companies of the state, employers and employees," wrote Secretary Helm, "who realize the disadvantages of depending on a state fund for insuring workmen's compensation risks will never acquiesce in the proposal that the state of Minnesota engage in that class of business or in the business of insurance in any form."

Mr. Helm added that it has been amply demonstrated that "state-operated insurance funds cannot satisfactorily replace a sound business management."

Can't Insure Child Labor Risk

SALT LAKE CITY, Oct. 17.—Under the new Utah child labor act, effective Oct. 15, employers who engage minors illegally must pay them double the regular legal workmen's compensation, but they must pay the additional out of their own pockets. The law does not permit them to insure against the extra risk.

Minnesota Rate Change Delayed

ST. PAUL, Oct. 17.—Indications now are that a decision in the compensation

rate case will not be made in time to put the new rates in effect Nov. 1 as first intended. It was hoped to have the decision out by Oct. 15 but that was found impossible and the prospects are that the new rates will not become effective until Dec. 1.

Need United Front in Fight Against Inimical State Laws

(CONTINUED FROM PAGE 36)

Minnesota, he said, an 8 percent increase in level was approved two years ago, a 10.6 percent increase last year and, he assumed, a 14.5 percent increase this year, or a total of 36.7 percent since Oct. 1, 1932. Some factors in the cost of writing insurance did increase, but Mr. Brown asked if it was possible the expenses had increased in the same proportion. Such questions are difficult to answer for assured. The countrywide expense ratio has increased materially each year since 1926 when it was 40.6 percent, he said. Last year it was 47.4 percent. This is in spite of increases received for expense purposes with each rate revision.

A situation such as is encountered in Iowa and Minnesota is difficult to explain. Other elements affecting rates being equal, the dollar rate in Minnesota is equivalent to the 68-cent rate in Iowa. For identical risks there is approximately two-thirds as much premium available in Iowa for expense purposes. Mr. Brown said if the amount produced in Iowa is sufficient for expense requirements, the loading in Minnesota must be redundant. Certain items of expense should be identical in each state.

It is such questions as these which will be considered in many legislatures when undoubtedly compensation fund bills are introduced, he said.

Efforts to Increase Taxes

The business undoubtedly will be faced by attempt to increase the tax burden. Mr. Brown feels it will be futile to meet such proposals by the old stock argument that the theory of the premium tax was to support insurance departments and only a small portion of the sum collected now is going for that purpose. He said the premium tax is here to stay. The only action left is to take a defensive position and oppose any further advance, to seek some measure of uniformity in premium tax as between the states and prevent further encroachments on policyholders' funds.

Another proposal which will be met, he said, will be based on the theory that citizens of the home state are entitled to preferential treatment over those of foreign states, and giving special privileges to domestic companies. A flood of similar laws may be expected in the coming legislative session, proposed as retaliatory measures. All the forces of sound insurance, including representatives of the insurance public, should realize that unreasonably drastic laws inevitably increase the cost of insurance, and should act as a united force to oppose inimical bills. Every effort should be exerted to secure repeal of existing laws which have created the demand for retaliation.

Mr. Brown said he always has opposed laws which grant citizens of his state any preference over those of other states, but he feels that unless the objectionable laws in other states are repealed, it will be necessary for him as well as other insurance commissioners who believe as he does to give up the fight for this principle and acquiesce in passage of laws which in effect treat companies and citizens of other states as "alien enemies."

The existence of such objectionable laws furnishes advocates of federal supervision of insurance considerable ammunition, he said.

Northwest Congress Postponed

The annual sales congress of the Portland and Seattle Accident & Health Clubs, scheduled for this fall in the latter city, has been postponed until next spring.

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and you will receive that prompt, efficient, courteous replacement service by experienced men which has built the American Glass to its position of leadership in the Chicago plate glass replacement field.

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ACCIDENT AND HEALTH FIELD

Announce Cleveland Speakers

Notable Galaxy of Talent Secured for Accident & Health Sales Congress There on Friday

A notable list of speakers has been announced for the sales congress of the Cleveland Accident & Health Insurance Club which will be held there Friday of this week. The list includes A. J. Mountrey, Standard Surety & Casualty, New York, secretary National Accident & Health Association; W. C. Cousins, agency assistant Aetna Life at the home office; C. H. Davis, agency supervisor accident department Pacific Mutual Life, Chicago; George F. Manzelmann, vice-president North American Accident and Health Association; and Armand Sommer, Continental Casualty, president National A. & H. Association.

The keynote of the congress is "Protect earning power." It will be divided into afternoon and evening sessions. The congress staged last year by the Cleveland club, with more than 800 paid registrations of managers and producers from all over northern Ohio, was probably the most notable accident and health insurance gathering ever held and all indications point to an equally successful meeting this year.

Shows How Eye Photographs Aid in Adjusting of Claims

An interesting demonstration of the value of photographs of the interior of the eye in relation to disability claims was given at the first fall meeting of the Chicago Claim Association by R. W. Bennett of the Uhlemann Optical Company, who has perfected some processes by which such photographs can be taken more successfully than ever before. He showed by slides from actual photographs how pre-existing conditions due to disease or former injury can be revealed in cases where impairment of sight is alleged to have resulted from an accident, and how the cutting down of the field of vision as the result of a former injury may render a person more prone to accidents, although there is no actual impairment of the eyesight. He suggested the desirability of securing such photographs in connection with the physical examination of workers at the time of employment, so that liability for future injuries can be more definitely determined.

Prior to his talk, John R. Hastie, Mutual Life of New York, former president of the Chicago Life Underwriters Association, introduced W. R. Uhlemann, president of the optical company, who explained the research work his company has been doing in that connection.

Industrial Conference at Miami

The Industrial Insurers Conference will hold its annual meeting at the Miami Biltmore Hotel, Miami, Fla., Nov. 19-21. Peyton W. Jones, secretary Bankers Health & Life, Macon, Ga., is president. George R. Kendall, Washington National, vice-president; W. B. Clements, Pilot Life, secretary-treasurer, and C. S. Drake, Empire Life & Accident, chairman of the executive committee. The executive committee will meet on the evening of Nov. 18 preceding the convention.

Stumpf Heads Pittsburgh Club

At the first fall meeting of the Pittsburgh Accident & Health Insurance Managers Association these officers were elected: President, W. E. Stumpf, United States Fidelity & Guaranty; vice-president, F. P. Fletcher, Pennsylvania Underwriters Association; secretary, J.

D. Anderson, National Life & Accident; treasurer, J. D. Guernsey, Employers Liability. New directors in addition to the officers are B. F. Davis, Pacific Mutual Life, retiring president, and A. C. Feagan, Inter-Ocean Casualty. The association held its annual outing at Uniontown, Pa., Oct. 13-14, with dinner, dancing and a golf tournament as the chief features and more than 50 in attendance.

Life Men Should Sell Accident

Life underwriters are excellent prospects for accident and health managers in recruiting new agents, said J. P. Collins, National Casualty agency supervisor and past president of the National Accident & Health Association, at the Pittsburgh Accident & Health Managers Club meeting. Mr. Collins stressed the closeness of life insurance and accident and health insurance and the idea that they are not competing lines. He says that accident insurance has a definite place in the proper insurance program and life agents are not giving their clients the full measure of service unless they are providing this

protection. By selling accident and health the life agent has the advantage over the exclusive life agent in offering complete service. Accident and health offers an opportunity for the new life agent to make easy sales while he is trying to establish himself as an insurance adviser.

Tri-State Agency Terminated

DENVER, Oct. 17.—The Tri-State agency, which has covered Arkansas, Tennessee and southeast Missouri for the Colorado Life accident and health department, has been terminated and C. W. Beale, who pioneered this territory, becomes territorial manager. For the present, A. L. McNeil, former partner with Mr. Beale in the Tri-State arrangement, continues in a responsible personal capacity with Mr. Beale. The Tri-State was this company's largest accident and health agency.

Lindquist Elected President

Accident and health people are interested in the election of Gustaf Lindquist of St. Paul as president of the Abraham Lincoln Life of Springfield, Ill., succeeding H. B. Hill, who becomes chairman of the board. Mr. Lindquist is a former insurance commissioner of Minnesota and until about four years ago served as president of the Travel-

ers Equitable of Minneapolis. Lately he has been connected with the Equitable Life of New York in St. Paul.

Gets Teachers Group

DETROIT, Oct. 17.—The Detroit teachers group accident and health insurance has been awarded to the Michigan Life, which carried the group, numbering over 4,500 last year. Original bids on last year's plan and another plan with higher surgical allowances were rejected and new bids were asked on a third plan. This plan, which was adopted, carries a provision that should the loss ratio be less than 75 percent, half of the difference between the total claims paid and the 75 percent shall be refunded to the teachers' association.

Mueller Visits Los Angeles

E. H. Mueller, Milwaukee general agent Pacific Mutual Life, and past president of the National Accident & Health Association, was guest at a luncheon-meeting of the Accident & Health Managers Club at Los Angeles.

Prior to Mr. Mueller's talk, impressions of the recent convention in San Francisco of the California Association of Accident & Health Clubs were given by P. H. Ackerman, C. M. Beall and Art Milhaupt.

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Surety Co. Pays Bank for Robbery in 23 Hours

"Actual loss of the \$26,217.91, stolen yesterday morning from a money car of the ——— National Bank, lasted only 23 hours. The amount of the loss was checked and verified by the bank, and a claim was filed with the American Surety Company in the afternoon and paid the next morning. . ."

Savings Bank Recovers Yesterday's Hold-Up Loss

"Officers of the ——— Savings Bank were consoled for the inconvenience attending the robbery yesterday at the bank, when a representative of the American Surety Company walked in today and presented the bank with a draft for \$23,084.98, the full amount of the loss. . ."

Applications for representation from responsible agents cordially invited.

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(Organized 1890)

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New York Fire Insurance Company

Rated "A"—Excellent

Pacific National Fire Insurance Company

Rated "A+"—Excellent

Standard Insurance Company of New York

Rated "A+"—Excellent

Switzerland General Insurance Company

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GENERAL BUILDING - 4TH & WALNUT STS.
PHILADELPHIA

Give Safety Hints At Cleveland Meet

(CONTINUED FROM PAGE 35)

The direct relation of good light to highway accidents was pointed out by Mr. Simpson in his address before the Street & Highway Traffic Section.

He said a recent survey showed that cities with the lowest per capita cost for street lighting have the highest night automobile fatality rate while the cities with the highest per capita cost for street lighting have the lowest night automobile fatality rate.

"Our study tends to show that the present type of automobile headlight falls far short of producing the degree of visibility or ability to see necessary for safe night driving under present traffic conditions. In fact, the whole trend of this survey leads to the conclusion that illumination on even our best lighted streets is not adequate for safe driving at present speeds, or conversely, we must modify our habits of driving and particularly our speed if we are to achieve even a modicum of improvement toward public safety at night."

Organized effort is necessary to combat the increasing accident rate, according to Mr. Cole, who talked before the Paper and Pulp Section. "Increases in the accident fatality rate as noted during the first half of 1934 indicate that the rate this year may exceed that of 1931, the peak year, when approximately 99,000 persons were thus killed."

"It is apparent," he said, "that the temporary reduction in accidents in 1932 and 1933 can be attributed very largely to the depression and the resulting unemployment and decrease in the use of motor vehicles."

"There has been one optimistic indication apparent during the past decade while accidents in the United States have been increasing at a very high rate, however. Accident reductions have been noticed in general wherever some degree of organization was possible."

Child Deaths Reduced

"It is significant that whereas the number of adult deaths has been increasing continuously, with the exception of the two depression years, the record of child deaths has been reduced. This is undoubtedly the reflection of the organized safety training which has been conducted with increasing intensity in the schools. In contrast," the speaker said, "it should be noted that not only are accidents, resulting from the operation of private vehicles, showing an increase, but there has been a marked increase in home accidents, where no method of organized effort has yet been devised. Even where it has been possible to carry on organized effort among employees, relative to the hazards of their occupations, it has been noted that the rate of accidents to these same employees, in non-occupational places, has frequently been very high."

Speaking before the Dust in Industry session on "Using Exhaust Systems and Respiratory Systems to Protect Workers Exposed to Dust," Mr. Beyer gave practical suggestions regarding control of the hazard.

"Four out of five leading industrial states whose codes we investigated rule substantially that workers on machines or in processes that create dusts, fumes, etc., shall be protected by exhaust systems. After this good start, some qualifying phrases like 'as well as possible,' 'in amounts which may be harmful,' etc., are added, which leave many chances for differences of opinion between the state inspectors and the representatives of the employer."

He said a properly designed and maintained exhaust system which captures the dust at its source and removes it is the most effective means of combating the problem.

A well designed exhaust system requires a thorough knowledge of engineering principles.

Careful tests with dust counting or

sampling equipment are necessary after the installation has been completed.

Provision must be made for systematic maintenance and upkeep.

As a basis for determining the required performance of an exhaust system, standardized codes of permissive dustiness are necessary.

Physical examinations at the time of employment and at regular periods thereafter, were recommended as the best means of eliminating diseases caused by dust by Dr. McConnell before the Dust in Industry section.

John E. Long, superintendent of safety, the Delaware & Hudson Railroad, Albany, was reelected president of the National Safety Council. W. H. Cameron was reelected managing director and secretary.

R. I. Catlin of the Aetna Casualty was elected vice-president for public safety. A. W. Whitney was elected vice-president for education and L. R. Palmer, Equitable Life of New York, vice-president for membership.

Business Men's Committee of Chicago for Auto Laws

The state-wide effort being made this year in Illinois to secure passage of a driver's license law and financial responsibility act was aided this week by the unanimous vote of Mayor Kelly's Keep Chicago Safe committee composed of 100 of the leading business men in favor of the model law. This action was bulletined to a special state-wide meeting on the matter being held in Peoria. J. Dillard Hall, co-manager of the Midwestern office of the United States Fidelity & Guaranty, is the only stock casualty man on the committee.

Municipal judges of Chicago attended in a body and endorsed the effort. They reported that fixing of traffic violation tickets in Chicago now is impossible and they will hear this week 721 traffic cases which accumulated over the last week end. An effort was made to pass the two acts at the last session of the legislature but failed. The bills to be submitted will be practically identical with the others that failed to pass.

Gets Reduction in Replacement

NEW YORK, Oct. 17.—As chairman of the sub-committee on replacement costs of the plate glass division of the National Bureau of Casualty & Surety Underwriters, L. A. Sawyer was successful during his recent trip west in securing a 10 percent service reduction from glaziers in Milwaukee. Glaziers of Washington, D. C., likewise pledged a concession, and there is every prospect that a reduction will be secured in Cleveland. Plate glass underwriters have been convinced for some time past that they were paying over much for replacement work, and a determined drive for a "new deal" in such connection will be made at a number of important centers aside from those above mentioned.

Liability Develops Slowly

Admitting a moderate gain in premium income upon certain risk classifications, surety company officials point out they are still paying for claims filed some time ago, the liability for which has only recently been determined because of entangling legal questions.

General Agency Wanted

Wanted—General Agency connection with mutual or participating company located in mid-western state. Have \$25,000 garage public liability premiums as well as other lines. If interested write giving complete information regarding rates, dividends and commissions. Address **Z10**, The National Underwriter.

Casualty Men Hold Unusual Meeting

(CONTINUED FROM PAGE 33)

by T. E. Braniff, Oklahoma City, for the agency association, in the place of President J. R. Millikan of Cincinnati who was unable to be present.

Insurance men were urged to aid in dispelling the public indifference toward crime by H. B. Chamberlin, operating director of the Chicago Crime Commission. Mr. Chamberlin told about the activities of the automobile thieves in Chicago which led to an increase in insurance rates and a corresponding reduction after the activities of these criminals had been checked. He told of the extensive records of the Chicago Crime Commission and machinery for combating criminals. The commission influenced the passage of the motor vehicle certificate of title which helped reduce automobile thefts in Chicago from 105 to 30 a day.

Van Schaick Views Problems

Commissioner G. S. Van Schaick of New York discussed the serious problem which is confronting the insurance companies in connection with the preferences granted by several states in compensation cases. Unless private insurance carriers take the initiative in solving these difficulties, monopolistic state funds are coming "just as sure as the sun rises in the morning."

Mr. Van Schaick said workmen's compensation is one of the great social and legal reforms witnessed in our day and generation. It is a substitute for the inequities and injustices of the employer-servant rule and the doctrine of contributory negligence and assumption of risks. Under workmen's compensation the injured workman has no choice, public policy demands that the awards of compensation be paid absolutely and at all events. The New York statutory preference of workmen's compensation and similar laws elsewhere are not for the protection of the employee alone. They are a prerequisite to permit private carriers to compete with state funds. Abolish this or set it aside and the monopolistic state fund will inevitably follow. Self government calls upon the companies to solve this problem at its base. No mere court decision under discussion or no appealing legislation will do any more than make acute the problem of the private carrier in workmen's compensation.

Round Table Discussion

A round table discussion for the agents was held Thursday evening with Mr. Braniff presiding.

The ship landed in Bermuda Friday morning and the time there was given to the golf tournament and sightseeing. This year there was no tournament for the ladies. The contest, under the direction of J. G. Yost, Fidelity & Deposit, was played on the golf course of the Belmont Manor Hotel on Friday and Saturday, the winners being announced after the annual dinner Saturday evening. T. E. Braniff, Oklahoma City, with a low gross score for two days won the Fidelity & Deposit trophy which must be won three times before it becomes the permanent property of the winner. Mr. Braniff has won it twice. The permanent prize to go with the cup and to the winner each year was donated by C. R. Miller, president, Fidelity & Deposit. The prize was a gladstone bag. Other winners of golf prizes were J. T. Harrison, New York City; C. C. Jones, Kansas City; Alan Spencer, New York City; Maj. George Lloyd, New York City; Maj. Gen. J. G. Harbord, New York City; G. E. Turner, Hartford; P. C. Groner, Kansas City; F. M. Spratlin, Atlanta; G. E. Charlton, Lawrence, Kan.; J. G. Yost, Baltimore; J. M. Haines, New York City; E. B. Rhoads; R. E. Fifer; C. R. Sherman; H. H. Reed; T. A. Engstrom; F. R. Blossom, Chicago; B. J. Ellison; E. G. Armstrong; H. W. Shaeffer.

Saturday afternoon on the return trip

both associations held their business meetings and elections.

In its resolutions, the National Association of Casualty & Surety Agents approved the widespread campaign for accident prevention and the improvement by way of lessening the hazards of street and highway traffic. Members of Congress who have recognized the abuse of non-complying and non-admitted carriers competing with qualified American companies in writing bankers' blanket bonds, were commended for seeking legislation to correct this unfairness. Officers of the association were instructed to prepare a brief but cogent pamphlet reciting the complaint and urging its remedy and following elections in November to distribute the pamphlets to Congressmen and seek remedial legislation. The agents' association reaffirmed its belief in the writing of compensation risks and pledged its cooperation to the stock companies in securing just and adequate rates. Aid of the National Convention of Insurance Commissioners was solicited in checking fictitious fleets. Sympathy was extended to the Travelers and the family of R. J. Sullivan in his tragic death.

The convention numbered about 200. It was the consensus that the meeting next year would be held at White Sulphur Springs.

PERSONAL PARAGRAPHS

E. Sidney Berry, vice-president and general counsel Hartford Steam Boiler, suffered two paralytic strokes while on board ship and was removed to the government hospital in Hamilton as soon as the boat docked Friday morning. Mrs. Berry accompanied her husband.

Col. H. B. Chamberlin, managing director Chicago Crime Commission, remained on the ship Saturday morning as she lay at anchor in Grassy Bay and as a result enjoyed an exciting experience. The ship's crew in its entirety went through the drill of lowering the boats and pulling away from the ship as though she were sinking. Col. Chamberlin reported that every passenger theoretically was saved.

The **ladies auction bridge tournament** was held Thursday night. Prizes of \$5 were given at each table and the following were the winners: Mrs. G. E. Turner, Mrs. W. F. Roeber, Mrs. L. H. Webb, Mrs. Richard Deming and Mrs. G. G. Bohman.

A **shuffleboard contest** started Thursday afternoon for the men was continued on the return trip. The final winners were C. W. Olson, Jr., W. M. Smith, Philip F. Lee and Commissioner G. W. Brown. The contest was played under difficulties on Sunday when the pitch of the ship made it difficult to keep one's footing.

At the **annual banquet** on Saturday night C. H. Burras was the toastmaster and conducted the proceedings as only he can. G. E. Turner, chairman of the entertainment committee, commanded attention by a most artistic sounding of a gong.

One of the most attractive women at the meeting was **Mrs. P. C. Groner** of Kansas City. Mr. Groner is the president of the Kansas City Public Service and is a prominent lawyer. Mrs. Groner is interested in Junior League activities.

Among those members who were conspicuous by their absence were the **J. R. Millikans** of Cincinnati, the **H. P. Jacksons** of Newark and the **William Mooneys** of Hartford. **J. W. Henry** of Pittsburgh was also among the missing but was well represented by his charming wife.

Col. H. P. Dunham with Mrs. Dunham and her mother, Mrs. Robbins, attended the convention.

C. B. Morecom of Hartford won the reputation of being the handsomest man on board ship and evidently carried this reputation with him in Bermuda for while he was inspecting one of the shops

in Hamilton a lady approached him and in beguiling tones asked him to wait on her. He made the only gallant reply a gentleman could, that he would be delighted to if he worked in the shop.

Among those who proved themselves excellent sailors even on a pitching, rolling ship was **Mrs. John G. Yost** who with Mr. Yost was one of the very few to enjoy a midnight supper Saturday night.

N. R. Moray, vice-president United States Casualty, was present at the convention for the first time in several seasons and proved himself the most seaworthy traveler of all, complaining only that the sea was not rough enough.

Major G. L. Lloyd of New York, a most charming English gentleman, added to the pleasure of many people and was noted as one of the Beau Brummels as was Wallace Falvey and Spencer Welton.

C. C. Jones of Kansas City with Mrs. Jones caught many of the conventioners with his movie camera. One of the most popular ladies aboard was **Miss Alice Nelson**, daughter of J. A. Nelson, president New Amsterdam Casualty. **Miss Mildred Strickland**, daughter of F. H. Strickland, was also a much sought after young lady as well as a most attractive one.

"Bill" Mearns and **C. T. Gray**, better known as "Lord Chippendale," were as usual delightful companions. **Mr. and Mrs. L. H. Webb** of Chicago were present.

Mr. Webb is a brother of George Webb, whose absence was much regretted.

J. A. Behn is a better sailor on the high seas than on Grassy Bay.

Mrs. "Tom" Braniff as always numbered among the few most charming and stunning looking women at the meeting. Both she and Mr. Braniff distinguished themselves at shuffleboard.

Two newcomers to the convention who quickly became popular were **Mr. and Mrs. Silliman Evans**. Mr. Evans is president of the Maryland Casualty and an inimitable social companion. He has a most charming wife.

Mr. and Mrs. M. J. O'Brien added greatly to everyone's pleasure as did the presence of **Mrs. C. W. Fairchild** and her daughter, Edna Louise. It was regretted that Mr. Fairchild could not make the same score in shuffleboard as he does in horseshoe pitching. **Mr. and Mrs. J. M. Haines** were charming hosts as usual. Among other popular members of the convention were the **C. W. Olsons, Jr.**, the **E. R. Ledbetters**.

When the "Queen of Bermuda" docked at Hamilton Friday morning the members of the convention divided into separate parties to do their sightseeing. Those who were playing golf went directly to the Belmont Manor where the tournament was held. Others took the excursion which included a train ride



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MARYLAND CASUALTY COMPANY

Baltimore

SILLIMAN EVANS - President • F. HIGHLANDS BURNS - Chairman of the Board

from Hamilton to St. George and back to the hotel. Still others took surreys and did their sightseeing individually.

R. Howard Bland, chairman of the board United States Fidelity & Guaranty, lent his delightful personality to the gathering. W. G. Wilson of Cleveland was another most popular gentleman of the meeting.

F. X. Malley, vice-president American Reinsurance, and his charming wife were among the most popular members on board the ship.

There was a luncheon Friday at the St. George Hotel which was voted one of the most attractive places on the island. Unfortunately, the ship had to anchor in Grassy Bay which provided some discomfort to the passengers who had to take tenders to and from the hotel. As a result a great many of the conventioners remained on the ship for dinner. Those who returned to the Belmont Manor for dinner were entertained with an elaborate display of fireworks and dancing later in the evening. The golf tournament was continued on Saturday morning and the remainder of the time left before the ship sailed was given over to shopping in Hamilton.

The masquerade which was planned for Sunday evening following the captain's dinner did not materialize on account of the heavy seas.

Conducts 20th Anniversary Drive

ST. LOUIS, Oct. 17.—Joseph Garneau, assistant superintendent of agents of the Hartford Accident, spoke at a dinner for the employees and members of the Lawton-Byrne-Bruner Agency, which is conducting a special campaign in honor of its 20 years of affiliation with the Hartford Accident. B. A. Hoffmann, vice-president of the agency, reports more than 400 accident policies written the first ten days of the drive.

Claim Preference Is Serious Hazard

(CONTINUED FROM PAGE 33)

Another situation arises over the special deposit requirement. Such provision in New York, Mr. Ignatius believes, was declaration by the legislature it would not seek special benefits for its own citizens merely because the insurers became incorporated or domiciled in that state. In the Southern Surety case the liquidator states he does not propose to use this statutory deposit.

No Anomalous Position

"The question is," Mr. Ignatius comments, "if the state of New York, to extend the practical benefits of comity between the states, specifically refused to subject a special deposit to the sole benefit of its own citizens, could it thereafter in good faith subject general assets of the company to a special lien for the benefit of its own citizens? Of what avail to release the comparatively small statutory deposit from the burden of local preference, only to impose such preference upon the greater bulk of the company's general assets?"

One effect of the so-called "Burlington" rule adopted by the Commissioners Convention in 1913 to the effect that special deposits in excess of corresponding liability should not be allowed as assets in annual statements, since it could never be known how much of these deposits eventually would be free for use of general creditors, casts doubt upon what would happen if the general assets of the company similarly were placed in question.

He said the court's statement that residence was not the criterion but the sole consideration for preference was

whether the award was in course of employment in New York state, was far more troublesome and irritating than if preference had been termed a personal privilege created by the legislature for the benefit of its own citizens.

Thus of two persons living in New Jersey, employed by a company operating plants in New York and New Jersey, both claimants against assets of the Southern Surety, the one in New York and the other in New Jersey, the first is to be preferred and paid in full now, while the other as a general claimant may some day be paid a small fraction on his claims, a payment made smaller by reason of full payment to his fellow worker. Both might have been injured in the same accident in New Jersey.

Under principles and statutes governing liquidations there was no authority for preference at all, Mr. Ignatius said, but if a preference were created it should extend to all creditors of a class. No other states can be criticised for adopting

stringent measures to protect the rights of their citizens if in liquidation under New York laws the whole theory is to be that indicated in the statements of the New York supreme court in this case. He expressed hope that other states would withhold enforcing retaliatory measures until the New York situation is clarified by court decisions and further efforts of the superintendent.

Agents Seek to Revive Plan of Compensation Surcharge

(CONTINUED FROM PAGE 33)

ager National Bureau of Casualty & Surety Underwriters, presented the views of the stock companies; W. G. Wilson of Cleveland spoke for the general agents; W. E. Harrington represented the local agency body while William Schiff defined the attitude of the brokers.

CASUALTY PERSONALS

The Maryland Casualty has enlarged and improved its monthly publication and put it out under the new name of "The Marylander," beginning with the October issue. For 31 years the magazine, which goes to its 10,000 agents, was called "The Budget."

Printed in two colors throughout, the "Marylander" is a very attractive house organ. It is larger than the previous publication and is profusely illustrated. The "Marylander" seeks to set a high standard of interest for publications in its field, devoting itself to a major extent to news developments and human interest stories in the insurance business.

E. J. Donegan, formerly vice-president of the General Surety, and before that with the New York branch of the United States Fidelity & Guaranty, has opened a law office in New York City, planning to specialize in casualty and surety cases.

W. H. Clarkson, casualty manager in the Newark office of the Travelers, completed 37 years of continuous service with the company this week. He started in 1897 as a bookkeeper in New York City and was later promoted to renewal clerk in the accident division. When the Newark office was opened he was transferred there from New York. In 1906 he was appointed assistant manager and the following year was made manager.

On his return to Chicago this week, following his election as secretary of the compensation and liability of the Travelers a month ago, L. J. Kempf, former Chicago manager of the casualty department, was significantly honored by the Travelers men in that city. Mr. Kempf is very popular not only with the Travelers force but with the casualty men of Chicago. The Travelers group presented him with an "appreciation," beautifully lettered by James F. Curtis of the Travelers force, who is an artist in that line. The appreciation expressed the feelings of the Travelers group as follows:

"Whereas, Louis John Kempf, a member of the Travelers family in Chicago since August, 1912, was trans-

ferred to the home office of the company Sept. 17, 1934.

"Be it resolved, that the undersigned, his Chicago office friends and associates, regret the loss of daily contact with our good friend and manager after these 22 years as head of his department, but take great joy in his promotion to the position of secretary of the compensation and liability department of the Travelers. As manager in the Chicago district, Mr. Kempf's keen and analytical mind and high ideals were valuable in consideration of all problems, whether pertaining to company policies or representatives' relations. His upright character—kindly, cooperative and charitable—endears him to his fellow associates who will feel his absence as a personal loss."

In addition to the appreciation, signed by more than 150 of the Travelers family, Mr. Kempf was presented with a magnificent silver service by his Chicago associates. Mr. Kempf will be in Chicago until Oct. 26 installing his successor, James White, and closing up his personal affairs.

E. H. Porter, 67, Los Angeles branch manager of the Ocean Accident for 20 years, died at his home in Sierra Madre, Cal. Due to ill health, he had retired from active work in June, 1933.

E. M. Smith, assistant manager of the agency department of the Fidelity & Deposit, has been appointed aide-de-camp on the staff of the governor of Kentucky, with the title of "colonel."

Samuel Clark, head of the Inter-Ocean Agency of Chicago and formerly general agent for the Inter-Ocean Casualty, National Life of U. S. A., accident and health department, and North American Accident, was found dead at his desk, evidently the victim of a heart attack. He was 63 and had been in insurance for upwards of 25 years, for a part of the time as a Louisville insurance man. He was a native of Bowling Green, Ky. Burial was in Tennessee, his widow's native state.

McCutchan Appeal Denied

The United States Supreme Court has denied a review of his conviction to J. B. McCutchan, who was convicted at Jefferson City, Mo., of a charge of using the mails in a scheme to defraud. He was sentenced to four years in the federal penitentiary. Darby A. Day, who was convicted with McCutchan and fined \$2,500, did not appeal. Later a portion of his fine was commuted by the trial judge. Messrs. McCutchan and Day were convicted of the mail fraud charge in connection with the operations of the Chicago Fidelity & Casualty and the Continental Indemnity of America.

Casualty man—long experience desires Home Office, Branch Office or General Agency Connection. Thoroughly versed in all lines. Address Z-9, The National Underwriter.

WANTED — Experienced casualty Special Agent for Ohio. In reply give full particulars as to age, experience, references and salary desired. Address Z-7, The National Underwriter.

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RECENT COURT DECISIONS

CASUALTY & SURETY

Bond Held Not Continuous

Each Renewal of Fidelity Coverage on Bank Cashier Declared to Have Been Distinct Contract

The question of whether a surety bond, renewed annually for a period of years, is a continuous transaction or whether each renewal is a separate and distinct bond, has been decided adversely to the National Surety by the North Carolina supreme court. The case was Hood ex rel. Bank of Summerfield vs. Simpson et al.

Simpson was cashier of the Bank of Summerfield. The fidelity bond covering Simpson was executed for an indefinite term and thereafter was kept in force by the payment of annual premiums. The cashier was elected at the time the bond was executed for a term of one year and was thereafter reelected each year for a like term. He was required at each reelection to give bond.

Renewal Is Independent

Under the circumstances the supreme court held that each and every renewal of the bond is a separate and distinct bond or independent contract. Simpson had embezzled funds from 1920 to 1931. If the bond had been construed as one continuous contract the total liability of the National Surety would have been \$10,000, but under construction given it by the supreme court its liability is \$20,000.

The bond was given in conformity with the statute requiring the officers to give bond and the National Surety could not, contrary to the statute, make the provision in the endorsement "that the liability will not be cumulative or exceed the largest single amount applicable to the employee causing the loss as fixed by either the superseded or the superseding bond."

Reformation of O. L. & T.

Policy Is Denied in N. J.

Permission to reform an O. L. & T. policy, so as to specify a different address from that designated in the contract has been denied by the New Jersey chancery court. The case was By-Fi Building & Loan Association vs. New York Casualty et al. The policy covered the ground floor of the premises at 502 Jackson avenue, Jersey City. Snowden suffered injuries in the premises at 8-10 Williams street, Jersey City. The By-Fi Building & Loan filed a bill to have the policy reformed so as to specify 8-10 Williams street instead of 502 Jackson avenue.

The court held that, considered in the light more favorable to it, the evidence of the By-Fi association at best manifest an intent on its part to insure the Williams street premises. It failed however to indicate in the slightest degree whether that, or what, was the intent of the New York Casualty, excepting as may be gleaned from the policy itself which clearly indicates its attempt to cover the Jackson avenue and no other premises. The insurer inspected and measured the footage of the Jackson avenue property alone. The evidence is clear and undisputed that it never inspected or measured the Williams street property. Where the policy expresses the intent of the insurer, even though it does not that of the complaints, reformation will be denied.

Held Liable to Materialman

Surety on Bond of Principal Contractor Must Pay Firm Supplying Steel to Subcontractor

The U. S. F. & G. has been held liable by the New Hampshire supreme court, as bondsman of a principal contractor, because a subcontractor failed to pay all that was due to a material man.

The state of New Hampshire was the obligee and the Eastern States Bridge Company was the principal contractor. The contract was fully complied with and the amount due was fully paid by the state. The Albany Construction Company was a subcontractor. Its contract was fully performed and the Albany company was fully paid. The American Bridge Company supplied the structural steel to the Albany Construction Company, but received only a small fraction of the sum due it from the Albany company, therefore, the American Bridge Company sued the U. S. F. & G., on the bond given by the principal contractor.

Condition of the Bond

The condition of the bond is "that suit on this bond may be brought against the surety herein by any one who, in the absence of this bond, would be entitled to a lien upon state property as provided by chapter 88 of the laws of 1927."

The supreme court held that the purpose of this chapter is to put those who supply materials for the erection of state property on a parity in respect to their liens with those who perform a like service for private owners. Since the American Bridge Company could under

those statutes claim a lien, it has a right to sue under the terms of the bond. The American Bridge Company's failure to give notice of its lien required in chapter 217 of the P. L. is not fatal to its right to recover. The fact that the principal contractor has been fully paid by the state is not a defense. When suit is brought to recover on the bond, the lien having been discharged and the right to sue in enforcement thereof is specifically denied, provisions as to notice are of no effect. The lien exists independent of notice.

Insurer's Liability Limited

Brother Sought to Get at Higher Limits on Ground He Suffered Loss in Daughter's Accident

An unsuccessful attempt was made in the Louisiana courts to make the insurer liable for the higher limits of an automobile liability policy on the ground that although only one person suffered bodily injuries in the accident, two persons suffered loss. The decision upholding the insurer was handed down by the Louisiana supreme court.

Margaret Sentilles, 17 years of age, was injured by an automobile belonging to Frey Brothers, who were insured in the Employers Liability. Judgment for \$30,000 for Miss Sentilles was obtained and \$6,457 for her parents for the expenses incurred. The Employers Liability policy was in \$10,000/\$20,000 limits. The Employers deposited in the registry of the court \$10,000 plus interest. Miss Sentilles' father appealed from the decision limiting the liability to \$10,000 on the ground that two persons suffered loss in consequence of the accident, his daughter and himself, and thus the Employers should be liable for the upper limits of the policy. This contention the court dismissed, on the ground the policy provides indemnity only for "bodily injuries."

FIRE & MARINE

Agency Liable for Premium

Automobile of Hartford Gets Judgment Against the Miami Insurance Agency in U. S. Court

The Automobile of Hartford has been awarded judgment against the Miami Insurance Agency by the United States district court for the southern district of Florida in a controversy over whether a premium, collected and deposited in a bank that failed, belonged to the Automobile or the agency.

Premium of \$6,000 was paid by the Florida Power Company to the Miami Insurance Agency on which the agency was entitled to \$1,200 commission. The agency was instructed in the collection of the premium to remit the Automobile's share of the premium without delay and accordingly a check for \$4,800 was sent to the Automobile on the Bank of Bay Biscayne. The Automobile received the check and deposited it in due course of business for collection, but before the check reached the bank, it failed.

Checks received by the Automobile from agents were not credited to the agents in payment of accounts until the checks were paid by the bank on which they were drawn. The testimony of the Miami Insurance Agency is that when the \$6,000 premium was collected, it was deposited in the bank in the name of the Miami Insurance Agency and the check was sent. The agency relied on the fact that the check was payment as far as

they were concerned, that the money in the bank was the money of the Automobile.

The higher court held that the evidence does not sustain that position. Under the circumstances, the loss falls upon the maker of the check and not the payee. The contract shows that Adams and Frazier were the joint agents of the Automobile. Their distinction as officers of the Miami Insurance Agency is simply descriptive. The contract says they were doing business under the name of the Miami Insurance Agency. They are the real defendants, jointly liable with the Miami Insurance Agency.

Cancellation Held Effective

Massachusetts Court Rules Premium Doesn't Have to Be Tendered Unless Company Got It

The Massachusetts supreme judicial court has decided that a policy in the Dubuque Fire & Marine was effectively canceled, overruling the contention of the Morton Furniture Company that notice of cancellation was not effective because no part of the premium paid by it was tendered with the notice of cancellation.

The policy was delivered to the Morton Furniture Company by Levenbaum, a broker. Levenbaum employed one Kohl, who was also a broker, who employed one Lane, another broker, to place the insurance through R. S. Hoff-

man & Co., general agents for the Dubuque Fire & Marine. Levenbaum was not known to the Dubuque F. & M. or to R. S. Hoffman & Co. The Morton Furniture Company paid Levenbaum the premium.

The Massachusetts supreme court held that G. L. (Ter. Ed.) c. 175, section 187D, does not require the tender of a return premium "if the insured has not prior to the date of such notice, actually paid the premium thereon either to the company, or to its agent who issued the policy, or to the duly licensed insurance broker who negotiated it."

The record shows that the Morton Furniture Company had not paid the premium either to the company or to its agent who issued the policy. The question was whether the premium was paid "to the duly licensed insurance broker who negotiated it?" The word "negotiated" as used in the statute means the broker who obtained and finally settled the terms and conditions of the policy with the insured. The Morton Furniture Company did not pay any premium to the broker who negotiated the policy with the Dubuque F. & M. and for that reason the Dubuque was not required to tender any part of the premium paid to Levenbaum by the Morton company.

Auto Is Pledged As Security

Indiana Court Holds Executory Contract to Pledge Does Not Constitute Change of Interest

Although the insured had delivered his automobile to a flying school as security for a note representing the unpaid balance on an airplane, the Indiana supreme court has decided that this did not constitute a "change of interest" as stipulated in the policy, and the insurer was held liable. The case was Automobile Underwriters, Inc., et al. vs. White.

The court held that the contract was an executory contract to pledge. Had the executory agreement contemplated the sale, rather than the pledge, of the property to the flying school, it would not have constituted a "change of interest" within the meaning of that term as used in the condition of the policy so as to terminate the policy upon the making of such agreement. No greater effect can be given logically to the making of an agreement to pledge than would be given the making of an agreement to sell personal property.

Insurance Good for 5 Days

Even though an assured, upon receipt of cancellation notice from the company, mails the policy to the insurer, the policy continues in effect until five days after notice of cancellation was received. This was the decision of the North Carolina supreme court in Wilson vs. National Union Fire. Upon receipt of the cancellation notice, Wilson applied for a new policy to take the place of the one that was canceled and mailed the old policy back to the National Union. Whether Wilson intended to waive the five day cancellation notice of the policy and did waive it, when he returned the policy to the National Union, by mail, as he was requested to do, was a question for the jury, the supreme court decided.

For further decisions and verdicts read **The Casualty Insurer**. Subscription price \$2 a year. Address: A-1946 Insurance Exchange, Chicago.

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